

# Annual budget of *Siyancuma Municipality*

2012/13 TO 2014/15  
MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS

## VISION

A sustainable and economically viable community where residents enjoy a high quality of life.

## MISSION

To economically and socially develop and empower the community through transparent, accountable, and democratic governments and by utilizing all available resources and human skills.



**Copies of this document can be viewed:**  
In the foyers of all municipal buildings  
All public libraries within the municipality

## Table of Contents

APART 1 – ANNUAL BUDGET .....	2
1.1 MAYOR’S REPORT.....	2
1.2 COUNCIL RESOLUTIONS .....	6
1.3 EXECUTIVE SUMMARY .....	7
1.4 OPERATING REVENUE FRAMEWORK .....	9
1.5 OPERATING EXPENDITURE FRAMEWORK.....	18
1.6 CAPITAL EXPENDITURE .....	23
1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY.....	24
PART 2 – SUPPORTING DOCUMENTATION .....	41
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS .....	41
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP .....	43
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS.....	49
2.4 OVERVIEW OF BUDGET RELATED-POLICIES .....	52
2.5 OVERVIEW OF BUDGET ASSUMPTIONS .....	53
2.6 OVERVIEW OF BUDGET FUNDING .....	54
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS.....	64
2.8 COUNCILLOR AND EMPLOYEE BENEFITS.....	66
2.9 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS .....	79
2.10 CAPITAL EXPENDITURE DETAILS .....	79
2.11 LEGISLATION COMPLIANCE STATUS .....	89
2.12 OTHER SUPPORTING DOCUMENTS.....	91
2.15 MUNICIPAL MANAGER’S QUALITY CERTIFICATE .....	97

## List of Tables

Table 2 Summary of revenue classified by main revenue source.....	10
Table 3 Percentage growth in revenue by main revenue source .....	11
Table 4 Operating Transfers and Grant Receipts .....	11
Table 5 Comparison of proposed rates to levied for the 2011/12 financial year .....	14
Table 6 Proposed Water Tariffs .....	14
Table 7 Comparison between current water charges and increases (Domestic) .....	15
Table 8 Comparison between current Electricity charges and increases (Domestic).....	15
Table 9 Comparison between current sanitation charges and increases.....	16
Table 11 MBRR Table SA14 – Household bills.....	17
Table 12 Summary of operating expenditure by standard classification item .....	16
Table 13 Operational repairs and maintenance .....	18
Table 14 Repairs and maintenance per asset class.....	220
Table 15 2011/12 Medium-term capital budget per vote .....	23
Table 16 MBRR Table A1 - Budget Summary .....	25

Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	27
Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote) .....	28
Table 20 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure).....	30
Table 21 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.....	32
Table 22 MBRR Table A6 - Budgeted Financial Position .....	33
Table 23 MBRR Table A7 - Budgeted Cash Flow Statement .....	35
Table 24 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation .....	36
Table 25 MBRR Table A9 - Asset Management .....	37
Table 26 MBRR Table A10 - Basic Service Delivery Measurement .....	39
Table 30 IDP Strategic Objectives .....	44
Table 29 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating	
Table 31 MBRR Table SA7 - Measurable performance objectives.....	51
Table 32 Breakdown of the operating revenue over the medium-term .....	57
Table 33 MBRR SA15 – Detail Investment Information .....	55
Table 35 MBRR Table SA 17 - Detail of borrowings .....	<b>Error! Bookmark not defined.</b>
Table 36 MBRR Table SA 18 - Capital transfers and grant receipts .....	58
Table 37 MBRR Table A7 - Budget cash flow statement.....	59
Table 38 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation ....	<b>Error! Bookmark not defined.</b>
Table 39 MBRR SA10 – Funding compliance measurement.....	<b>Error! Bookmark not defined.</b>
Table 40 MBRR SA19 - Expenditure on transfers and grant programmes.....	64
Table 41 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds .....	65
Table 42 MBRR SA22 - Summary of councillor and staff benefits .....	66
Table 43 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers) .....	68
Table 44 MBRR SA24 – Summary of personnel numbers .....	69
Table 45 MBRR SA25 - Budgeted monthly revenue and expenditure .....	<b>Error! Bookmark not defined.</b>
Table 46 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote).....	72
Table 47 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification).....	73
Table 48 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote) .....	75
Table 49 MBRR SA29 - Budgeted monthly capital expenditure (standard classification) .....	76
Table 50 MBRR SA30 - Budgeted monthly cash flow.....	77
Table 51 MBRR SA 34a - Capital expenditure on new assets by asset class.....	79
Table 58 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class.....	<b>Error! Bookmark not defined.</b>
Table 52 MBRR SA34c - Repairs and maintenance expenditure by asset class.....	83
Table 53 MBRR SA35 - Future financial implications of the capital budget .....	87
Table 54 MBRR SA36 - Detailed capital budget per municipal vote .....	88
Table 56 MBRR Table SA1 - Supporting detail to budgeted financial performance .....	91

Table 57 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department) .....	93
Table 58 MBRR Table SA3 – Supporting detail to Statement of Financial Position .....	94
Table 59 MBRR Table SA9 – Social, economic and demographic statistics and assumptions .....	95
Table 60 MBRR SA32 – List of external mechanisms .....	96

## List of Figures

Figure 1 Main operational expenditure categories for the 2011/12 financial year ....	<b>Error! Bookmark not defined.</b>
Figure 2 Capital Infrastructure Programme .....	<b>Error! Bookmark not defined.</b>
Figure 3 Expenditure by major type .....	<b>Error! Bookmark not defined.</b>
Figure 4 Depreciation in relation to repairs and maintenance over the MTREF .....	<b>Error! Bookmark not defined.</b>
Figure 5 Planning, budgeting and reporting cycle .....	49
Figure 6 Definition of performance information concepts .....	50

## Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	General Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
NT	National Treasury
PBO	Public Benefit Organisations
PMS	Performance Management System
PPE	Property Plant and Equipment
RDP	Reconstruction and Development Plan
SALGA	South African Local Government Association
SAPS	South African Police Service
SCMP	Supply Chain Management Policy
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

## Part 1 – Annual Budget

### 1.1 Mayor's Report

#### **BUDGET SPEECH BY COUNCILLOR LORRAINE OLIPHANT, MAYOR OF SIYANCUMA MUNICIPALITY ON THE 2012/13 FINANCIAL YEARS**

Fellow Councilors  
Traditional Leaders  
Community Leaders  
Our Officials  
Distinguished Guests

I take honor in my duty and privilege on behalf of the council to present the final budget for the 2012/2013 financial years.

We have gathered in the same fashion, for the first time as council and elected representatives of the people of Siyancuma, to table our annual municipal budget, after the 18 May 2011 elections.

We were filled with immense humility, humbled by the enormous responsibility bestowed upon us, we knew that it was not going to be an easy task, but we were still willing to shoulder the responsibility for the development of the municipal area. We can announce with pride that we have not disappoint the people of the constituency, just a year and 11 days ago, with one goal in mind, with the mandate of **"Together We Can Built Better Communities"**

We have inherited the past, and can create the future, knowing that our freedom was not achieved freely and cheaply. We have gather in the municipal chambers today to consider our final budget the mentioned document carries the hope of our people and needs to speak to the adopted IDP.

#### **COMMUNITY CONSULTATIONS ON THE DRAFT BUDGET AND IDP**

Section 22 of the MFMA stipulates that immediately after tabling the annual budget in Council, we must make public the annual budget and invite the local community to submit representations. Section 23(2) of MFMA stipulates further that after considering all budget submissions, the Council must give the Mayor an opportunity to respond to the submissions and if necessary to revise the budget and table amendments for consideration by council in any.

We consulted our communities in the venues indicated below and those fruitful meetings which were well attended by community members and interest grouping fully participated.

1. Breipaal Community Hall
2. Bongani Community Hall
3. Die Schuur
4. Matlhomola Community Hall
5. Schmidtsdrift Community Hall
6. Campbell Community Hall
7. Church of Christ Mission Hall
8. Rainbow Community Hall

After considerations of all the budget submissions made during the consultations, as the Mayor, I am given the opportunity to revise the budget and table any amendments for consideration before this honorable council.

In summary the main concerns and comments raised during the consultation process revolved around maintenance issues such as;

- Safety of our waterworks
- Upgrading of oxidation pumps
- Need for extension of water infrastructure
- Need for storm water drainage,
- Grading and paving of roads, and resealing of potholes
- Installation of solar power,
- No analogue signal in Griekwastad and surrounding
- Eviction of farm workers and their families
- Unemployment
- Youth development
- Lack of sporting and recreation facilities
- Poor and even no basic services delivery to farm area
- Adoption and implementation of municipal bylaws and policies

All the concerns and comments do not in my view as the Mayor necessitates the revision of our budget. Our budget especially the operational budget addresses the issues. Our communities and stakeholders indicated that they are happy with multi-year our area.

## **FINANCIAL STRATEGY**

We realize that the 201213 financial year should be approached with realism and a tightening fiscal discipline and we believe that we should guard against

unrealistic demands and concentrate on our key role of uplifting our communities and our area.

In order for this municipality to finance the 2012/13 expenditure budget we recommend that council implement tariff increase as follows:

This budget bears testimony to the fact that we as councilors are committed to creating conditions for a better life for all the people of our municipality. Through this budget we are trying to create our own future and the future of our children. Our budget focuses on funding our priorities as contained in our IDP and budget which can be summarized as follows:

- Roads and Storm water
- Water & Sanitation
- Electricity
- Land & cemeteries
- LED & Unemployment
- Solid Waste & Environmental Management
- Housing
- Institutional Arrangements
- Health and Welfare
- Education
- Crime Prevention, Safety and Security
- Community Facilities
- Sport, Art & Culture
- Communication
- Transport
- Law enforcement

We have come to this point where we highlight our successes this far and projects that are running or about to start;

- Cemetery Cleaning Project
- Drivers License learnership
- Grading and paving of streets
- Electricity installation in Bongani and Breipaal
- Housing in Bongani, Campbell and Schmidtsdrift
- Water infrastructure for Ackerlaan- and Phomolong shanties
- Eradication of the bucket system in Ackerlaan
- An annual sports and gospel music mayoral event
- Breipaal Container Library



- Bongani Drop-in centre

## **SUMMARY**

The 2012/2013 operational Expenditure is allocated as follows:

The total operating income is R126 682709 million for 2012/2013.

The total operational budget is made up as follows;

1. National and Provincial grants R64 094 000
2. Grants & Capital R 64 288 709
3. Own funding is 51%
4. Grants and Subsidies 49%

## **TARIFF INCREASES**

To finance the 2012/2013 expenditure budget we recommend that council implement the following increases on the services:

11.03% on electricity

8% on water

8% on refuse and sewerage

Property rates

- Residential 9%

- Business 9%

- Agriculture 5%

The increase as determined by National treasury has been met. I am therefore confident that the budget will be acceptable to National treasury. I am therefore presenting the budget for the 2012/2013 financial year for approval by this council meeting of Siyancuma Municipality in line with section 24 (2) a of the Local Government Municipal Finance Management Act no. 56 of 2003.

## **CONCLUSION**

Members, it will need collective effort and commitment from all of us, councilors and staff members, to ensure that Siyancuma Local Municipality, stays within its budget-limits.

We also need to acknowledge the commitment and sacrifice displayed by the administration ably led by the Municipal Manager. Their commitment and

dedication always ensure the Siyancuma Municipality remains relevant in the lives of the people of this municipality. We trust that you will even demonstrate more commitment, during the term of the next council.

We also need this opportunity to acknowledge the work done by the Finance Committee, Led Councilor L. Oliphant, in always ensuring that the finance department is functioning optimally, as well as to prepare this budget for us.

The budget is tabled for the consideration and approval of Council.

ENKOSI  
BAIE DANKIE  
THANK YOU  
KEALEBOGA

## 1.2 Council Resolutions

On 29 May 2012 the Council of Siyancuma Municipality Local Municipality met in the Council Chambers of Siyancuma Municipality to consider the annual budget of the municipality for the financial year 2012/13. The Council approved and adopted the following resolutions:

1. The Council of Siyancuma Municipality Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2012/13 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 27;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 28;
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 31; and
    - 1.1.4. Single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 32.
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position as contained in Table 23 on page 35;
    - 1.2.2. Budgeted Cash Flows as contained in Table 24 on page 36
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 25 on page 37;
    - 1.2.4. Asset management as contained in Table 26 on page 39; and
    - 1.2.5. Basic service delivery measurement as contained in Table 27 on page 44

2. The Council of Siyancuma Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2012 as per pages 18 – 21.
3. The Council of Siyancuma Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2012 the tariffs for other services, as set out on pages 18-21 respectively.
4. To give proper effect to the municipality's annual budget, the Council of Siyancuma Municipality approves:
  - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
  - 4.2. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.

### 1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. All debtors who can afford to pay were handed over to Herman van Heerden Attorneys for collections. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. One of the initiatives was that customers are encouraged to pay whereby rebates are given to those who paid their arrear accounts in full. Special attention is given to customer enquiries regarding service delivery. A complaints register is implemented and complaints are dealt within 48 hours.

National Treasury's MFMA Circular No. 58 and 59 were used to guide the compilation of the 2012/13 MTREF.

The main challenges experienced during the compilation of the 2012/13 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The increased cost of bulk water and electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;

- The municipality prioritise bucket eradication, but although the backlogs were addressed in previous financial years, the challenge is the increase of housing development in the rural areas where bucket systems are temporarily installed;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Availability of funding for priority capital projects – Schmidtsdrift is a new area which form part of Siyancuma's service deliverables. Thus MIG funding will be utilised mainly for this project over the MTREF. Bulk purchases, new infrastructure development and maintenance expenses are expected to increase, whilst revenue will not cover costs due to the indigent numbers in this area.
- Availability of affordable capital.

The following budget principles and guidelines directly informed the compilation of the 2012/13 MTREF:

- The 2011/12 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2012/13 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs.
- Additional services must be delivered to Schmidtsdrift community and was factored into the capital and operating budget.
- MIG office earmarked R65 million towards upgrading of gravel roads in the Siyancuma Municipal area over a 3 year period. This project is expected to start in January 2013;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2012/13 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2012/13 MTREF**

DESCRIPTION	ADJUSTED BUDGET 2011/12	BUDGET YEAR 2012/13	BUDGET YEAR 2013/14	BUDGET YEAR 2014/15
Total operating revenue	112,509	94,973	103,952	111,878
Total operating expenditure	116,742	111,243	117,005	129,103
Surplus(deficit) for the year	(4,233)	(16,271)	(13,053)	(17,225)
Total capital expenditure	26,527	26,737	22,639	24,890

Total operating revenue has decreased by 15,6 per cent or R17,536 million for the 2012/13 financial year when compared to the 2011/12 Adjustments Budget (before non cash items and repairs and maintenance). For the two outer years, operational revenue will increase by 9.5 and

7.6 per cent respectively, equating to a total revenue growth of R16,905 million over the MTREF when compared to the 2011/12 financial year.

Total operating expenditure for the 2012/13 financial year has been appropriated at R111,243 million and translates into a budgeted deficit of R16,271 million. When compared to the 2011/12 Adjustments Budget (before non cash items and repairs and maintenance), operational expenditure has decreased by 4.7 per cent in the 2012/13 budget and increased by 5.2 and 10.34 per cent for each of the respective outer years of the MTREF. The operating deficit for 2013/14 decreased to R13,053 million and increased again to R17,225 million deficit.

MFMA Circular 55 states that there is no legal requirement that the operating budget must be balanced or be in surplus. However, the deficit in Siyancuma Municipality's operating budget is due to "non-cash items" to the total of R24,269 million; consisting of provision for debt Impairment amounting to R8 million, depreciation and asset impairment of R9,745 million and provision for the rehabilitation of land fill sites amounting to R6,525 million.

The current implementation of GRAP 17 caused an increase in depreciation and asset impairment that is not fully accommodated in the municipality's tariffs and as a result contributed to the deficit. Measures are put in place to collect outstanding debtors by handed it over for collection by Herman van Heerden Attorneys. The result already proofed to be effective and from 28 May 2012, a debt collection unit was established within the municipality.

The capital budget of R27,329 million for 2012/13 is more or less the same when compared to the 2011/12 Adjustment Budget (R26,527million). A substantial portion of the capital budget will be funded from grants over MTREF. Grants will also contribute the major portion of the funding for the capital expenditure in the two outer years. The remainder of the funds for the 2012/13 year will be funded from internally generated funds amounting to R592 thousand and R5 million from rollover MIG funds from 2011/12 financial year.

## **1.4 Operating Revenue Framework**

For Siyancuma Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with maintenance backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 75 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);

- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2012/13 MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue source**

NC078 Siyancuma - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue By Source</b>											
Property rates	2	4 119	4 847	5 734	6 258	6 380	–	–	7 556	8 231	8 807
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	15 089	19 239	17 357	17 419	18 728	–	–	23 354	24 989	26 738
Service charges - water revenue	2	6 088	6 401	7 027	9 962	9 988	–	–	10 310	11 032	11 804
Service charges - sanitation revenue	2	3 308	3 866	3 912	4 279	5 260	–	–	4 716	5 046	5 399
Service charges - refuse revenue	2	2 711	3 226	3 351	4 145	4 281	–	–	4 602	4 924	5 269
Service charges - other									206	221	236
Rental of facilities and equipment			309	340	134	219	219		339	362	388
Interest earned - external investments		162	355	680	260	260	260		260	260	260
Interest earned - outstanding debtors		232	301	390	370	370	370		370	400	430
Dividends received									–	–	–
Fines			109	61	36	5	5		4 600	4 969	5 366
Licences and permits			615	5	610	241	241		241	258	276
Agency services			7	616	12				–	–	–
Transfers recognised - operational		15 738	22 993	27 307	34 004		34 004		37 981	42 981	46 605
Other revenue	2	1 653	–	1 846	65 899	66 777	–	–	438	281	301
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>49 100</b>	<b>62 268</b>	<b>68 625</b>	<b>143 388</b>	<b>112 509</b>	<b>35 099</b>	<b>–</b>	<b>94 973</b>	<b>103 952</b>	<b>111 878</b>
<b>Expenditure By Type</b>											
Employee related costs	2	19 470	20 153	20 813	27 562	26 263	–	–	35 056	36 808	39 843
Remuneration of councillors		2 064	1 960	1 933	1 934	1 934	1 934		2 615	2 746	2 938
Debt impairment	3	5 347	1 572	7 385	6 300	8 000	8 000		8 000	8 400	8 820
Depreciation & asset impairment	2	–	5 508	10 428	6 664	8 646	–	–	9 745	10 427	11 157
Finance charges		1 947	1 998	1 762	267	280	280		450	473	563
Bulk purchases	2	9 556	10 594	14 652	21 870	21 870	–	–	24 875	26 118	31 253
Other materials	8										
Contracted services		–	735	–	1 152	1 152	–	–	3 107	3 262	3 490
Transfers and grants		–	–	2 192	–	–	–	–	7 297	7 662	8 198
Other expenditure	4, 5	–	12 051	13 162	52 828	48 597	50 884	–	20 099	21 108	22 840
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>38 384</b>	<b>54 571</b>	<b>72 326</b>	<b>118 577</b>	<b>116 742</b>	<b>61 098</b>	<b>–</b>	<b>111 243</b>	<b>117 005</b>	<b>129 103</b>
<b>Surplus/(Deficit)</b>		<b>10 716</b>	<b>7 697</b>	<b>(3 701)</b>	<b>24 811</b>	<b>(4 233)</b>	<b>(25 999)</b>	<b>–</b>	<b>(16 271)</b>	<b>(13 053)</b>	<b>(17 225)</b>
Transfers recognised - capital				17 029					26 737	22 639	24 890
Contributions recognised - capital	6	–	–	–	24 622	26 527	–	–	–	–	–
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>10 716</b>	<b>7 697</b>	<b>13 328</b>	<b>49 433</b>	<b>22 294</b>	<b>(25 999)</b>	<b>–</b>	<b>10 466</b>	<b>9 586</b>	<b>7 665</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>10 716</b>	<b>7 697</b>	<b>13 328</b>	<b>49 433</b>	<b>22 294</b>	<b>(25 999)</b>	<b>–</b>	<b>10 466</b>	<b>9 586</b>	<b>7 665</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>10 716</b>	<b>7 697</b>	<b>13 328</b>	<b>49 433</b>	<b>22 294</b>	<b>(25 999)</b>	<b>–</b>	<b>10 466</b>	<b>9 586</b>	<b>7 665</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>10 716</b>	<b>7 697</b>	<b>13 328</b>	<b>49 433</b>	<b>22 294</b>	<b>(25 999)</b>	<b>–</b>	<b>10 466</b>	<b>9 586</b>	<b>7 665</b>

**Table 3 Percentage growth in revenue by main revenue source**

R thousand	Current year 2011/12		2012/13 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK					
	Adjusted Budget	%	Budget Year 2012/13	2011/12 - 2012/13 (Year on Year)	Budget Year +1 2013/14	2012/13- 2013/14 (Year on Year)	Budget Year +2 2014/15	2013/14- 2014/15 (Year on Year)
<b>Revenue By Source</b>								
Property rates	6 380		7 556	18%	8 231	7%	8 807	7%
Property rates - penalties & collection charges	0		0	0%	0	0%	0	0%
Service charges - electricity revenue	18 728		23 354	24.7%	24 989	7%	26 738	7%
Service charges - water revenue	9 988		10 310	3%	11 032	7%	11 804	7%
Service charges - sanitation revenue	5 260		4 716	-10%	5 046	7%	5 399	7%
Service charges - refuse revenue	4 281		4 602	7.5%	4 924	7%	5 269	7%
Service charges other	0		206	100%	221	7%	236	
Rental of facilities and equipment	219		339	55%	362	7%	388	7%
Interest earned - external investments	260		260	0%	260	7%	260	0%
Interest earned - outstanding debtors	370		370	70%	400	7%	430	7%
Fines	5		4 600	919%	4 969	8%	5 366	
Licences and permits	241		241	0%	258	7%	276	7%
Agency services	12		0	-100%		0%	0	
Transfers recognised - operational	34,699		37 981	9%	42 981	13%	46 605	8%
Other revenue	224		438	96%	281	-36%	301	7%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>80,655</b>		<b>94 973</b>	<b>18%</b>	<b>103 952</b>	<b>9%</b>	<b>111 878</b>	<b>8%</b>
<b>Total Revenue from Rates and Service Charges</b>	<b>44,637</b>	<b>55%</b>	<b>50 538</b>	<b>53%</b>	<b>54 222</b>	<b>52%</b>	<b>58 017</b>	<b>51%</b>

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise more than 60 percent of the total revenue mix for the 2012/13 financial year. In the 2011/12 financial year, revenue from rates and services charges totalled R44,637 million or 55% percent of operating revenue. This increases to R50,538 million, R54 222 million and R58 017 million for the respective years over the MTREF. A notable trend is that percentage of rates and services charges in relation to total operating expenditure decrease yearly to 51% at the end of the MTREF period. The above table includes revenue foregone arising from discounts and rebates associated with property rates according the rates/tariff policies of the municipality (Rates = rates minus revenue forgone).

Electricity is the largest (25%:R23,354), water second largest (11%:R10,310) property rates third largest (8%:R7 556) contributors to revenue.

Operating grants and transfers totals R37,981 million in the 2012/13 financial year and steadily increases to R46,605 million by 2014/15. Note that the year-on-year growth for the 2013/14 and 2014/15 financial years are 9 per cent and decrease to 8 per cent in the 2014/15 financial year.

**Table 4 Operating Transfers and Grant Receipts (SA18)**

NC078 Siyancuma - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
National Government:		16 973	-	25 818	56 937	56 937	53 937	37 981	42 981	46 605
Local Government Equitable Share		15 738		25 818	31 764	31 764	31 764	35 681	40 331	43 905
Finance Management		500			1 450	1 450	1 450	1 500	1 750	1 750
Municipal Systems Improvement		735			790	790	790	800	900	950
Water Services Operating Subsidy					17 981	17 981	17 981			
Integrated National Electrification Programme					4 952	4 952	1 952			
Other transfers/grants [insert description]										
Provincial Government:		8	-	27	500	500	500	-	-	-
Health subsidy		8		27						
Sport and Recreation					500	500	500			
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	195	195	-	-	-
[insert description]						195	195			
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	16 981	-	25 845	57 437	57 632	54 632	37 981	42 981	46 605
<b>Capital Transfers and Grants</b>										
National Government:		600	-	16 033	22 933	22 933	22 933	26 113	20 561	21 692
Municipal Infrastructure Grant (MIG)		600		14 300	16 910	16 910	16 910	25 513	20 561	21 692
Regional Bulk Infrastructure				1 733	2 964	2 964	2 964	-	-	-
Regional Bulk Infrastructure					1 988	1 988	1 988	-	-	-
					1 071	1 071	1 071	-	-	-
Electricity								600		
Provincial Government:		-	-	-	-	-	-	624	-	-
Libraries								624		
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	600	-	16 033	22 933	22 933	22 933	26 737	20 561	21 692
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		17 581	-	41 878	80 370	80 565	77 565	64 718	63 542	68 297

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must consider in their budget documentation the inflation forecasts as per MFMA Circular 59. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of Eskom's bulk tariffs are far beyond the mentioned inflation target. Given that this tariff increase is determined by NERSA, the impact on the municipality's electricity bill is largely outside the control of the municipality. Discounting the impact of these



price increases in lower consumer tariffs will erode the municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

#### **1.4.1 Property Rates**

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum rebate of 50 per cent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
  - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
  - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
  - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
  - The property must be categorized as residential.
- The municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2012/13 financial year based on a 9 per cent increase from 1 July 2012 is contained below:

**Table 5 Comparison of proposed rates to levied for the 2012/13 financial year**

Category	Current Tariff (1 July 2011)	Proposed tariff (from 1 July 2012)
	<b>C</b>	<b>c</b>
Residential properties	0.0088	0.009592
State owned properties	0.0088	0.009592
Business & Commercial	0.0096	0.010464
Agricultural	0.0020	0.001000
Vacant land	0.0088	0.009592
Municipal rateable	0.0088	0.009592
Industrial	0.0088	0.009592
Building Clause	0.04136	0.045080
Public benefit organisation properties	0.0088	0.009592

#### 1.4.2 Sale of Water and Impact on Tariff Increases

Siyancuma municipality carefully review the level and structure of water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Water is supplied by Vaal Oranje Water Board, which did not increase its bulk tariffs significantly and enable the municipality to increase there tariffs with only 8% from 1 July 2012.

In addition 6 kℓ water per 30-day period will again be granted free of charge to Indigent Households.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

**Table 6 Proposed Water Tariffs**

CATEGORY	CURRENT TARIFFS 2011/12	PROPOSED TARIFFS 2012/13
	Rand per kℓ	Rand per kℓ
<b>RESIDENTIAL</b>		
Free for Indigents 0-6kl	0	0
Consumption 0 – 6kl	4.26	4.85
Consumption 7 – 50kl	4.99	5.69
Consumption > 50kl	5.03	5.74

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

**Table 7 Comparison between current water charges and increases (Domestic)**

Monthly consumption kℓ	Current amount Payable 2011/12 R	Proposed amount Payable 2012/13 R	Difference (Increase) R	Percentage change
6	23.46	25.56	2.10	8.9%
50	231.00	249.50	18.50	8%

The tariff structure of the 2012/13 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R5.03 per kilolitre for consumption in excess of 50kℓ per 30 day period.

#### 1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure resulting in a 13.5 per cent increase in the Eskom bulk electricity tariff to municipalities from 1 July 2012.

Considering the Eskom increases, the electricity tariff of the municipality increased by 11.3 per cent to offset the additional bulk purchase cost from 1 July 2012. Furthermore, it should be noted that given the high tariff increase, the municipality is expecting a reduction in the growth of electricity consumption, which will have a negative impact on the municipality's revenue from electricity sales.

The difference between the bulk purchase increase and tariff increase of 2.2% will result in a loss in electricity revenue for the municipality.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs for domestic customers:

**Table 8 Comparison between current electricity charges and increases (Domestic)**

DOMESTIC TARIFFS				COMMERCIAL
DOMESTIC BLOCK 1 0-50kWh	DOMESTIC BLOCK 2 51-350kWh	DOMESTIC BLOCK 3 351-600kWh	DOMESTIC BLOCK 4 > 600kWh	Conventional
(c/kWh)	(c/kWh)	(c/kWh)	(c/kWh)	(c/kWh)
72	89	1.18	1.39	99

It should further be noted that NERSA had advised that a stepped tariff structure needs to be implemented from 1 July 2012. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

#### 1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 8 per cent for sanitation from 1 July 2012 is proposed. This is based on the input cost assumptions related to water. It should be noted that electricity costs contributes approximately 20 per cent of waste water treatment input costs, therefore the higher than CPI increase of 8 per cent for sanitation tariffs. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation will be applicable to registered indigents only, for buckets an amount of R61.90 and vacuum tanks R92.87; and
- The total revenue expected to be generated from rendering sanitation service amounts to R4,716 million for the 2012/13 financial year.

The following table compares the current and proposed tariffs:

**Table 9 Comparison between current sanitation charges and increases**

CATEGORY	Current Tariff 1 July 2011	Proposed Tariff 1 July 2012	% increase
Domestic	81.46	92.87	8%
Business	176.50	201.22	8%
Government	702.11	800.40	8%
Buckets	54.30	61.90	8%
Vacuum Tanks	81.46	92.87	8%

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

#### 1.4.5 Waste Removal and Impact of Tariff Increases

The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

An 8 per cent increase in the waste removal tariff is proposed from 1 July 2012. Higher increases will not be viable in 2012/13 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 8 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2012:

**Table 10 Comparison between current waste removal fees and increases**

CATEGORY	Current Tariff 1 July 2011	Proposed Tariff 1 July 2012	% increase
Domestic	64.86	73.95	8%
Business	137.35	156.58	8%
Municipal	137.35	156.58	8%

**1.4.6 Overall impact of tariff increases on households**

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept between 8 and 11.3 per cent, with the same increase for indigent households as all services are subsidized. Indigent users are sometimes responsible for overuse of electricity and water.

**Table 11 MBRR Table SA14 – Household bills**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13 % incr.	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Rand/cent</b>										
<b>Monthly Account for Household - 'Middle Income Range'</b>										
Rates and services charges:										
Property rates			776.82	808.00	808.00	808.00	8.0%	872.60	951.03	1,036.62
Electricity: Basic levy			86.57	104.21	104.21	104.21	11.0%	115.70	126.11	137.46
Electricity: Consumption			728.57	851.21	851.20	851.20	13.0%	947.39	1,032.66	1,125.59
Water: Basic levy			35.92	39.51	39.51	39.51	8.0%	42.67	46.51	50.70
Water: Consumption			284.60	313.03	313.03	313.03	8.0%	338.03	368.45	401.61
Sanitation			68.50	75.43	75.43	75.43	8.0%	92.87	101.23	110.34
Refuse removal			55.61	60.06	60.06	60.06	8.0%	64.86	70.70	77.06
Other										
<b>Sub-total</b>	-	-	2,036.59	2,251.45	2,251.44	2,251.44	9.9%	2,474.12	2,696.69	2,939.38
VAT on Services			159.23	181.96	181.96	181.96		224.00	377.54	411.51
<b>Total large household bill: % increase/decrease</b>	-	-	2,195.82	2,433.41	2,433.40	2,433.40	10.9%	2,698.12	3,074.23	3,350.89
			-	10.8%	(0.0%)	-		10.9%	13.9%	9.0%
<b>Monthly Account for Household - 'Affordable Range'</b>										
Rates and services charges:										
Property rates			305.00	398.00	398.00	398.00	8.0%	429.80	468.48	510.64
Electricity: Basic levy			86.57	104.21	104.21	104.21	11.0%	115.70	123.80	132.46
Electricity: Consumption			314.00	351.00	351.00	351.00	13.0%	390.66	418.01	447.27
Water: Basic levy			35.92	39.51	39.51	39.51	8.0%	42.67	45.66	48.86
Water: Consumption			206.28	226.92	226.92	226.92	8.0%	245.02	262.17	280.52
Sanitation			68.50	75.43	75.43	75.43	8.0%	92.87	99.37	106.33
Refuse removal			55.61	60.06	60.06	60.06	8.0%	64.86	69.40	74.25

Other										
Sub-total	-	-	1,071.88	1,255.13	1,255.13	1,255.13	10.1%	1,381.58	1,486.89	1,600.33
VAT on Services			107.36	120.00	120.00	120.00		133.00	208.16	224.05
Total small household bill: % increase/-decrease	-	-	1,179.24 -	1,375.13 16.6% -	1,375.13 -	1,375.13 -	10.1%	1,514.58 10.1%	1,695.05 11.9%	1,824.38 7.6%
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>										
<b>Rates and services charges:</b>										
Property rates			158.00	142.00	142.00	142.00	8.0%	153.30	167.10	182.14
Electricity: Basic levy			86.57	104.21	104.21	104.21	11.0%	115.70	123.80	132.47
Electricity: Consumption			276.50	311.50	311.50	311.50	13.0%	346.69	370.96	396.93
Water: Basic levy			35.92	39.51	39.51	39.51	8.0%	42.67	45.66	48.86
Water: Consumption			58.80	64.68	64.68	64.68	8.0%	69.78	74.66	79.89
Sanitation			68.50	50.28	50.28	50.28	8.0%	54.30	58.10	62.17
Refuse removal			55.61	60.06	60.06	60.06	8.0%	64.86	69.40	74.26
Other										
sub-total	-	-	739.90	772.24	772.24	772.24	9.7%	847.30	909.68	976.72
VAT on Services			64.10	72.66	72.66	72.66	#NAME?	97.16	63.68	136.74
Total small household bill: % increase/-decrease	-	-	804.00 -	844.90 5.1% -	844.90 -	844.90 -	11.8%	944.46 11.8%	973.36 3.1%	1,113.46 14.4%

## 1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2012/13 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2012/13 budget and MTREF (classified per main type of operating expenditure):

NC078 Siyancuma - Table A4 Budgeted Financial Performance (revenue and expenditure)

NC076 Stryanulna - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source											
Property rates	2	4 119	4 847	5 734	6 258	6 380	-	-	7 556	8 231	8 807
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	15 089	19 239	17 357	17 419	18 728	-	-	23 354	24 989	26 738
Service charges - water revenue	2	6 088	6 401	7 027	9 962	9 988	-	-	10 310	11 032	11 804
Service charges - sanitation revenue	2	3 308	3 866	3 912	4 279	5 260	-	-	4 716	5 046	5 399
Service charges - refuse revenue	2	2 711	3 226	3 351	4 145	4 281	-	-	4 602	4 924	5 269
Service charges - other									206	221	236
Rental of facilities and equipment			309	340	134	219	219		339	362	388
Interest earned - external investments		162	355	680	260	260	260		260	260	260
Interest earned - outstanding debtors		232	301	390	370	370	370		370	400	430
Dividends received									-	-	-
Fines			109	61	36	5	5		4 600	4 969	5 366
Licences and permits			615	5	610	241	241		241	258	276
Agency services			7	616	12				-	-	-
Transfers recognised - operational		15 738	22 993	27 307	34 004		34 004		37 981	42 981	46 605
Other revenue	2	1 653	-	1 846	65 899	66 777	-	-	438	281	301
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		49 100	62 268	68 625	143 388	112 509	35 099	-	94 973	103 952	111 878
Expenditure By Type											
Employee related costs	2	19 470	20 153	20 813	27 562	26 263	-	-	35 056	36 808	39 843
Remuneration of councillors		2 064	1 960	1 933	1 934	1 934	1 934		2 615	2 746	2 938
Debt impairment	3	5 347	1 572	7 385	6 300	8 000	8 000		8 000	8 400	8 820
Depreciation & asset impairment	2	-	5 508	10 428	6 664	8 646	-	-	9 745	10 427	11 157
Finance charges		1 947	1 998	1 762	267	280	280		450	473	563
Bulk purchases	2	9 556	10 594	14 652	21 870	21 870	-	-	24 875	26 118	31 253
Other materials	8										
Contracted services		-	735	-	1 152	1 152	-	-	3 107	3 262	3 490
Transfers and grants		-	-	2 192	-	-	-	-	7 297	7 662	8 198
Other expenditure	4, 5	-	12 051	13 162	52 828	48 597	50 884	-	20 099	21 108	22 840
Loss on disposal of PPE											
Total Expenditure		38 384	54 571	72 326	118 577	116 742	61 098	-	111 243	117 005	129 103
Surplus/(Deficit)		10 716	7 697	(3 701)	24 811	(4 233)	(25 999)	-	(16 271)	(13 053)	(17 225)
Transfers recognised - capital				17 029					26 737	22 639	24 890
Contributions recognised - capital	6	-	-	-	24 622	26 527	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		10 716	7 697	13 328	49 433	22 294	(25 999)	-	10 466	9 586	7 665
Taxation											
Surplus/(Deficit) after taxation		10 716	7 697	13 328	49 433	22 294	(25 999)	-	10 466	9 586	7 665
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		10 716	7 697	13 328	49 433	22 294	(25 999)	-	10 466	9 586	7 665
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		10 716	7 697	13 328	49 433	22 294	(25 999)	-	10 466	9 586	7 665

The budgeted allocation for employee related costs for the 2012/13 financial year totals R35,056 million, which equals 34 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 8 per cent for the 2012/13 financial year. An annual increase of 8 per cent has been included in the two outer years of the MTREF. Critical posts are prioritized to be filled in 2012/13 and included in the budget.

It should be noted that the total financial implication could not be determined as the applicable municipal wage curve (representing equal pay for equal work at all municipalities in South Africa) has not been finalised.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation, Government Gazette 34869 dated 14 December 2011 in this regard has been taken into account in compiling the municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 75 per cent and the subsidy of the Indigents. For the 2012/13 financial year this amount equates to R8 million and escalates to R8,820 million by 2014/15. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R9,745 million for the 2012/13 financial year. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.48 per cent (R450 thousand) of operating expenditure for 2012/13 and increases to R563 thousand by 2014/15.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Vaal Oranje Water Board. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

After evaluation, several operational inefficiencies were discovered with the existing equipment. In the 2012/13 financial year Contracted Services totals R3,107 million and has escalated by 170% per cent from the adjustment budget 2011/12. The enormous increase is the upgrading of printers and photo copiers. For the two outer years growth has been limited to just 5 and 7 per cent.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

#### **1.5.1 Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2012/13 budget and MTREF provide for growth in the area of asset maintenance of 5,59 per cent. Repairs and Maintenance expenditure is based on historical information. The reason being that the Technical Department provide no inputs and no asset renewal strategy or repairs and maintenance plans exist. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:



**Table 12 Operational repairs and maintenance**

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Repairs and Maintenance by Expenditure Item										
Employee related costs	–	–	–	1,259	7,527	7,527	–	1736	1,823	1950
Other materials	1,204	–	–	3,654	–	–	–	3,747	3,934	4,209
Contracted Services	–	–	–	1,991	–	–	–	1,106	1,161	1,242
Other Expenditure	11,628	–	2,083	962	–	–	–	786	827	884
<b>TOTAL</b>	<b>12,832</b>	<b>–</b>	<b>2,083</b>	<b>7,866</b>	<b>7,527</b>	<b>7,527</b>	<b>–</b>	<b>7,374</b>	<b>7,744</b>	<b>8,286</b>

Previous year under spending of 39.53 per cent on repairs and maintenance is due to vehicles that were disposed of. These vehicles were replaced by new vehicles that caused the under spending in 2011/12. As part of the 2012/13 MTREF priority is given to maintaining roads that comprise of 25.68 per cent of the Repairs and Maintenance budget. Water maintenance is 17.16 per cent and Electricity 15.97 per cent of the total Repairs & Maintenance Budget. The total allocation for 2012/13 equates to R7,374 million a decrease of 2 per cent in relation to the Adjustment Budget of 2011/12 and grow at 5 and 7 per cent over the MTREF. These increases are towards maintaining roads, water and electricity as prioritised in the IDP.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

NC078 Siyancoma - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description		Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
Repairs and maintenance expenditure by Asset Class/Sub-class												
Infrastructure			-	-	2 776	5 183	3 632	3 632	5 265	5 529	5 916	
Infrastructure - Road transport			-	-	-	-	1 383	1 383	1 910	2 006	2 146	
Roads, Pavements & Bridges							1 383	1 383	1 910	2 006	2 146	
Storm water												
Infrastructure - Electricity			-	-	1 072	2 815	674	674	1 188	1 247	1 335	
Generation												
Transmission & Reticulation					1 072	2 815	674	674	1 188	1 247	1 335	
Street Lighting												
Infrastructure - Water			-	-	1 167	1 448	892	892	1 276	1 339	1 433	
Dams & Reservoirs												
Water purification					1 167	1 448	892	892	1 276	1 339	1 433	
Reticulation												
Infrastructure - Sanitation			-	-	537	920	500	500	650	684	732	
Reticulation												
Sewerage purification					537	920	500	500	650	684	732	
Infrastructure - Other			-	-	-	-	183	183	241	253	271	
Waste Management							183	183	241	253	271	
Transportation												
Gas												
Other												
Community			-	-	1 090	1 936	568	568	821	862	922	
Parks & gardens					817	1 050	172	172	235	247	264	
Sportsfields & stadia												
Swimming pools												
Community halls					3	55	80	80				
Libraries					255	435	-	-	96	100	107	
Recreational facilities						40	143	143	210	221	236	
Fire, safety & emergency						123	73	73	180	189	202	
Security and policing												
Buses												
Clinics												
Museums & Art Galleries												
Cemeteries					15	110	40	40	100	105	112	
Social rental housing												
Other						123	60	60				
Heritage assets			-	-	-	-	-	-	-	-	-	
Buildings												
Other												
Investment properties			-	-	-	-	-	-	-	-	-	
Housing development												
Other												
Other assets			-	-	349	747	870	870	1 289	1 353	1 448	
General vehicles									358	376	402	
Specialised vehicles			-	-	-	-	-	-	-	-	-	
Plant & equipment												
Computers - hardware/equipment					100	200	130	130				
Furniture and other office equipment						205	280	280	250	263	281	
Abattoirs												
Markets												
Civic Land and Buildings												
Other Buildings					200	282	400	400	221	232	248	
Other Land					-	-			60	63	67	
Surplus Assets - (Investment or Inventory)												
Other					49	60	60	60	400	420	449	
Agricultural assets			-	-	-	-	-	-	-	-	-	
List sub-class												
Biological assets			-	-	-	-	-	-	-	-	-	
List sub-class												
Intangibles			-	-	-	-	-	-	-	-	-	
Computers - software & programming												
Other (list sub-class)												
Total Repairs and Maintenance Expenditure			1	-	-	4 215	7 866	5 070	5 070	7 374	7 744	8 286
Specialised vehicles				-	-	-	-	-	-	-	-	
Refuse												
Fire												
Conservancy												
Ambulances												
R&M as a % of PPE				0.0%	0.0%	1.5%	2.8%	1.8%	1.8%	2.5%	2.8%	3.0%
R&M as % Operating Expenditure				0.0%	0.0%	5.8%	6.6%	4.3%	8.3%	6.6%	6.6%	6.4%

**For the 2013 financial year, 71 per cent or R5,265 million of total repairs and maintenance will be spent on infrastructure assets.**

### 1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. The target is to register 4000 more indigent households during the 2012/13 financial year, a process reviewed annually. The increase in Indigents will be Smitsdrift and farmers area in Niekerkshoop up to Grobblershoop. A sensible total for Indigents are budgeted over the MTREF until the Indigent Register is updated at mid-year. The revenue will be adjusted if necessary in January 2013. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 38.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

## 1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 13 2012/13 Medium-term capital budget per vote**

Capital Expenditure by Standard Classification	08/09 AUD	09/10 AUD	10/11 AUD	CY 11/12 BUD	CY 11/12 ADJ	CY 11/12 FCST	CY 11/12 ACT	Budget Year 12/13	Budget Year +1 13/14	Budget Year +2 14/15
Executive and council				-	225	225		82		
Budget and treasury office				130	218	218		130	137	130
Corporate services				790	951	951		130	137	130
Community and social services								624		
Sport and recreation	255									
Public safety				-	195	195				
Road transport				220	1 148	1 148				
Electricity			1 733	2 964	3 118	3 118		600	1 000	2 000
Water			14 300	17 130	16 910	16 910		25 513	21 639	22 890
Waste water management				220	176	176				
Waste management	18 174									
Other								250		
<b>TOTAL</b>	<b>19 907</b>		<b>16 033</b>	<b>21 824</b>	<b>23 599</b>	<b>23 599</b>		<b>27 329</b>	<b>22 912</b>	<b>25 150</b>

For 2012/13 an amount of R26,113 million has been appropriated for the development of infrastructure which represents 98 per cent of the total capital budget. In the outer years this amount totals to R22,839 million and R24,890 million respectively.

**1.6.1 Future operational cost of new infrastructure**

The future operational costs and revenues associated with the capital programme have NOT been included in Table 61 MBRR SA35. The Technical Manager's contract was not renewed who would have been able to assist with this section.

**1.7 Annual Budget Tables - Parent Municipality**

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2012/13 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 14 MBRR Table A1 - Budget Summary****Explanatory notes to MBRR Table A1 - Budget Summary**

NC078 Siyancuma - Table A1 Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Financial Performance</b>										
Property rates	4 119	4 847	5 734	6 258	6 380	–	–	7 556	8 231	8 807
Service charges	27 196	32 732	31 646	35 805	38 257	–	–	43 188	46 211	49 446
Investment revenue	162	355	680	260	260	260	–	260	260	260
Transfers recognised - operational	15 738	22 993	27 307	34 004	–	34 004	–	37 981	42 981	46 605
Other own revenue	1 885	1 341	3 258	67 061	67 612	835	–	5 988	6 270	6 761
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>49 100</b>	<b>62 268</b>	<b>68 625</b>	<b>143 388</b>	<b>112 509</b>	<b>35 099</b>	<b>–</b>	<b>94 973</b>	<b>103 952</b>	<b>111 878</b>
Employee costs	19 470	20 153	20 813	27 562	26 263	–	–	35 056	36 808	39 843
Remuneration of councillors	2 064	1 960	1 933	1 934	1 934	1 934	–	2 615	2 746	2 938
Depreciation & asset impairment	–	5 508	10 428	6 664	8 646	–	–	9 745	10 427	11 157
Finance charges	1 947	1 998	1 762	267	280	280	–	450	473	563
Materials and bulk purchases	9 556	10 594	14 652	21 870	21 870	–	–	24 875	26 118	31 253
Transfers and grants	–	–	2 192	–	–	–	–	7 297	7 662	8 198
Other expenditure	5 347	14 358	20 546	60 280	57 749	58 884	–	31 205	32 770	35 150
<b>Total Expenditure</b>	<b>38 384</b>	<b>54 571</b>	<b>72 326</b>	<b>118 577</b>	<b>116 742</b>	<b>61 098</b>	<b>–</b>	<b>111 243</b>	<b>117 005</b>	<b>129 103</b>
<b>Surplus/(Deficit)</b>	<b>10 716</b>	<b>7 697</b>	<b>(3 701)</b>	<b>24 811</b>	<b>(4 233)</b>	<b>(25 999)</b>	<b>–</b>	<b>(16 271)</b>	<b>(13 053)</b>	<b>(17 225)</b>
Transfers recognised - capital	–	–	17 029	–	–	–	–	26 737	22 639	24 890
Contributions recognised - capital & contributed	–	–	–	24 622	26 527	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>10 716</b>	<b>7 697</b>	<b>13 328</b>	<b>49 433</b>	<b>22 294</b>	<b>(25 999)</b>	<b>–</b>	<b>10 466</b>	<b>9 586</b>	<b>7 665</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>10 716</b>	<b>7 697</b>	<b>13 328</b>	<b>49 433</b>	<b>22 294</b>	<b>(25 999)</b>	<b>–</b>	<b>10 466</b>	<b>9 586</b>	<b>7 665</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>19 907</b>	<b>–</b>	<b>16 033</b>	<b>21 824</b>	<b>23 599</b>	<b>23 599</b>	<b>–</b>	<b>27 329</b>	<b>22 912</b>	<b>25 150</b>
Transfers recognised - capital	19 906	–	16 033	19 874	19 874	19 874	–	26 737	22 776	25 020
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	1 410	3 315	3 315	–	–	–	–
Internally generated funds	–	–	–	540	410	410	–	592	136	130
<b>Total sources of capital funds</b>	<b>19 906</b>	<b>–</b>	<b>16 033</b>	<b>21 824</b>	<b>23 599</b>	<b>23 599</b>	<b>–</b>	<b>27 329</b>	<b>22 912</b>	<b>25 150</b>
<b>Financial position</b>										
Total current assets	5 155	17 970	26 704	26 704	26 704	26 704	–	26 704	26 704	26 704
Total non current assets	114 579	125 974	289 117	289 118	289 118	289 118	–	306 701	291 857	282 938
Total current liabilities	14 133	15 810	18 990	18 990	18 990	18 990	–	18 990	18 990	18 990
Total non current liabilities	6 707	6 823	13 211	13 211	13 211	13 211	–	13 211	13 211	13 211
Community wealth/Equity	98 895	121 311	283 620	283 620	283 620	283 620	–	282 841	293 204	285 486
<b>Cash flows</b>										
Net cash from (used) operating	–	(28 845)	10 000	36 718	16 085	16 085	–	28 003	19 611	18 461
Net cash from (used) investing	–	(10)	–	(22 294)	(23 959)	(23 959)	–	(27 329)	(22 639)	(24 890)
Net cash from (used) financing	–	(125)	(190)	(717)	(61)	(61)	–	(640)	(672)	(532)
<b>Cash/cash equivalents at the year end</b>	<b>(2 502)</b>	<b>(31 482)</b>	<b>(21 672)</b>	<b>50 140</b>	<b>(7 935)</b>	<b>(7 935)</b>	<b>–</b>	<b>13 197</b>	<b>9 497</b>	<b>2 536</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	(2 502)	6 613	13 164	13 164	13 164	13 164	–	13 164	13 164	13 164
Application of cash and investments	5 882	(3 694)	(1 638)	8 377	8 453	(674 970)	–	223	224	224
<b>Balance - surplus (shortfall)</b>	<b>(8 384)</b>	<b>10 307</b>	<b>14 802</b>	<b>4 787</b>	<b>4 711</b>	<b>688 134</b>	<b>–</b>	<b>12 941</b>	<b>12 940</b>	<b>12 940</b>
<b>Asset management</b>										
Asset register summary (WDV)	–	–	10 973	10 973	10 973	10 973	10 973	10 973	10 973	10 973
Depreciation & asset impairment	–	5 508	10 428	6 664	8 646	–	9 745	9 745	10 427	11 157
Renewal of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	–	–	4 215	7 866	5 070	5 070	7 374	7 374	7 744	8 286
<b>Free services</b>										
Cost of Free Basic Services provided	–	–	910	1 053	1 053	1 053	1 275	1 275	1 733	2 252
Revenue cost of free services provided	–	–	–	11 773	11 773	12 212	13 545	13 545	14 222	15 218
<b>Households below minimum service level</b>										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	3	3	3	3	3	3	3	3	3	3
Energy:	4	4	4	4	4	4	4	4	4	4
Refuse:	–	–	–	–	–	–	–	–	–	–

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
  - b. Capital expenditure is funded by conditional grants , of which
    - Transfers recognised is reflected on the Financial Performance Budget;
    - Internally generated funds are financed from the current operating revenue. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. The municipality has not yet compiled a Funding and Reserves Policy. The National Treasury MFIP Advisor is currently in the process of drafting the Policy at no expense and will be finalised in the new financial year.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

**Table 15 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

NC078 Siyancuma - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		21 118	-	35 141	35 901	42 905	2 724	39 489	44 726	48 456
Executive and council		20 558	-	-	774	999	999	1 400	1 771	2 080
Budget and treasury office		445	-	34 866	34 843	40 181	-	37 786	42 631	46 029
Corporate services		115	-	275	284	1 725	1 725	303	324	347
<i>Community and public safety</i>		28	8	251	183	876	876	283	304	325
Community and social services		24	-	33	34	531	531	162	175	188
Sport and recreation		4	-	191	149	149	149	120	128	137
Public safety		-	-	-	-	195	195	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	8	27	-	1	1	1	-	-
<i>Economic and environmental services</i>		489	-	-	2 097	2 157	2 157	4 600	4 968	5 365
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		489	-	-	2 097	2 157	2 157	4 600	4 968	5 365
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		27 196	-	40 391	65 606	65 312	65 312	50 601	53 955	57 732
Electricity		15 089	-	24 409	24 022	23 201	23 201	24 804	26 540	28 398
Water		6 088	-	7 892	29 144	28 953	28 953	11 360	12 155	13 006
Waste water management		3 308	-	4 447	6 206	6 788	6 788	7 645	7 991	8 551
Waste management		2 711	-	3 643	6 234	6 370	6 370	6 793	7 268	7 777
<i>Other</i>	4	260	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	49 091	8	75 783	103 787	111 250	71 069	94 973	103 952	111 878
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		25 684	-	35 229	39 991	43 200	43 200	41 884	44 018	46 852
Executive and council		19 378	-	5 528	5 261	5 981	5 981	6 049	6 351	6 777
Budget and treasury office		5 969	-	19 975	24 417	25 221	25 221	22 434	23 591	25 062
Corporate services		337	-	9 726	10 313	11 998	11 998	13 400	14 075	15 014
<i>Community and public safety</i>		2 204	-	3 742	6 069	5 705	5 705	4 444	4 735	5 750
Community and social services		1 221	-	1 905	2 235	1 755	1 755	1 664	1 810	1 965
Sport and recreation		857	-	1 388	3 016	3 111	3 111	2 083	2 187	2 993
Public safety		14	-	87	582	839	839	372	390	418
Housing		-	-	-	-	-	-	-	-	-
Health		112	-	362	236	-	-	326	348	374
<i>Economic and environmental services</i>		3 748	-	3 744	8 896	11 057	11 057	10 079	10 583	11 183
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		3 748	-	3 744	8 896	11 057	11 057	10 079	10 583	11 183
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		18 481	-	28 304	70 412	67 460	67 460	54 837	57 553	64 969
Electricity		11 369	-	19 440	34 590	32 473	32 473	29 858	31 325	36 815
Water		2 256	-	2 090	24 187	23 221	23 221	4 852	5 094	5 517
Waste water management		2 773	-	3 729	6 680	6 923	6 923	7 981	8 380	8 990
Waste management		2 083	-	3 045	4 955	4 843	4 843	12 147	12 754	13 647
<i>Other</i>	4	1 100	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	51 217	-	71 019	125 368	127 422	127 422	111 243	116 888	128 754
<b>Surplus/(Deficit) for the year</b>		(2 126)	8	4 764	(21 581)	(16 172)	(56 353)	(16 271)	(12 936)	(16 876)

**Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government'

**Table 16 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

NC078 Siyancuma - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote											
Vote 1 - MUNICIPAL MANAGER		1	20 353	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL			205	-	-	744	999	999	1 400	1 771	2 080
Vote 3 - CORPORATE SERVICES			-	-	155	677	677	677	213	228	244
Vote 4 - FINANCE			445	-	34 866	38 604	38 731	38 731	36 286	40 881	44 279
Vote 5 - INTERNS			-	-	-	1 450	1 450	1 450	1 500	1 750	1 750
Vote 6 - PROPERTIES			115	-	120	137	221	221	90	96	103
Vote 7 - COMMUNITY SERVICES			32	-	60	67	532	532	163	175	188
Vote 8 - TRAFFIC			489	-	-	1 877	1 072	1 072	4 600	4 968	5 365
Vote 9 - HOLIDAY RESORT			264	-	191	149	149	149	120	128	137
Vote 10 - WASTE WATER MANAGEMENT			3 308	-	4 447	6 206	6 788	6 788	7 645	7 991	8 551
Vote 11 - DISASTER MANAGEMENT			-	-	-	-	195	195	-	-	-
Vote 12 - WASTE MANAGEMENT			2 711	-	3 643	6 234	6 370	6 370	6 793	7 268	7 777
Vote 13 - PUBLIC WORKS ROADS			-	-	-	220	1 085	1 085	-	-	-
Vote 14 - ELECTRICITY			15 089	-	26 142	24 022	23 201	23 201	24 804	26 540	28 398
Vote 15 - WATER			6 088	-	7 892	29 144	28 953	28 953	11 360	12 155	13 006
Total Revenue by Vote		2	49 099	-	77 516	109 531	110 423	110 423	94 973	103 952	111 878
Expenditure by Vote to be appropriated											
Vote 1 - MUNICIPAL MANAGER		1	-	-	-	2 479	2 685	-	2 627	2 759	2 952
Vote 2 - COUNCIL			19 378	-	3 144	2 782	3 296	-	3 421	3 593	3 825
Vote 3 - CORPORATE SERVICES			-	-	11 107	8 057	10 076	-	11 956	12 554	13 398
Vote 4 - FINANCE			5 969	-	19 975	23 292	23 771	-	20 934	21 981	23 335
Vote 5 - INTERNS			-	-	-	1 125	1 450	-	1 500	1 610	1 726
Vote 6 - PROPERTIES			716	-	1 003	1 693	1 603	-	1 444	1 522	1 616
Vote 7 - COMMUNITY SERVICES			954	-	1 286	1 643	2 366	-	3 467	3 709	3 999
Vote 8 - TRAFFIC			225	-	-	1 961	1 500	-	1 662	1 745	1 854
Vote 9 - HOLIDAY RESORT			1 957	-	2 369	3 016	3 111	-	605	635	1 333
Vote 10 - WASTE WATER MANAGEMENT			2 773	-	3 729	6 680	6 923	-	7 981	8 380	8 990
Vote 11 - DISASTER MANAGEMENT			14	-	87	352	547	-	372	390	418
Vote 12 - WASTE MANAGEMENT			2 083	-	3 045	4 955	4 843	-	12 147	12 754	13 647
Vote 13 - PUBLIC WORKS ROADS			3 523	-	3 744	6 935	9 557	-	8 417	8 837	9 329
Vote 14 - ELECTRICITY			11 369	-	19 440	34 590	32 473	-	29 858	31 325	36 815
Vote 15 - WATER			2 256	-	2 090	24 187	23 221	-	4 852	5 094	5 517
Total Expenditure by Vote		2	51 217	-	71 019	123 747	127 422	-	111 243	116 888	128 754
Surplus/(Deficit) for the year		2	(2 118)	-	6 497	(14 216)	(16 999)	110 423	(16 271)	(12 936)	(16 876)

**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality.



The following table is an analysis of the surplus or deficit for the electricity and water trading services.

**Table 17 Surplus/(Deficit) calculations for the trading services**

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Electricity</b>										
Revenue	15,089	19,239	24,409	17,419	18,728			23,354	24,989	26,738
Electricity Bulk Purchases	9,181	10,389	16,640	21,418	21,418			24,225	25,436	30,523
<b>Surplus/(Deficit)</b>	<b>5,908</b>	<b>8,850</b>	<b>7,769</b>	<b>(3,999)</b>	<b>(2,690)</b>			<b>(871)</b>	<b>(447)</b>	<b>(3785)</b>
<b>Percentage Surplus/(Deficit)</b>	<b>39%</b>	<b>46%</b>	<b>32%</b>	<b>(23%)</b>	<b>(14%)</b>			<b>(3.7%)</b>	<b>(1.7%)</b>	<b>(14.1%)</b>
<b>Water</b>										
Revenue	6,088	6,401	7,879	9,962	9,988			10,310	11,032	11,804
Water Bulk Purchases	375	205	300	452	452			650	683	730
<b>Surplus/(Deficit)</b>	<b>5,713</b>	<b>6,196</b>	<b>7,579</b>	<b>9,510</b>	<b>9,536</b>			<b>9,660</b>	<b>10,349</b>	<b>12,699</b>
<b>Percentage Surplus</b>	<b>94%</b>	<b>97%</b>	<b>96%</b>	<b>95%</b>	<b>95%</b>			<b>93.6%</b>	<b>93.8%</b>	<b>93.8%</b>

- The electricity trading deficit is improving from the 2011/12 budget from 14 per cent in 2011/12 to 3.7 per cent by 2012/13, but deteriorate again to 14.1% in 2014/15. This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases to consumers.
- The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 93.6 per cent, 93.8 per cent and 93.8 per cent for each of the respective financial years.

Table 18 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

NC078 Siyancuma - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue By Source</b>											
Property rates	2	4 119	4 847	5 734	6 258	6 380	–	–	7 556	8 231	8 807
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	15 089	19 239	17 357	17 419	18 728	–	–	23 354	24 989	26 738
Service charges - water revenue	2	6 088	6 401	7 027	9 962	9 988	–	–	10 310	11 032	11 804
Service charges - sanitation revenue	2	3 308	3 866	3 912	4 279	5 260	–	–	4 716	5 046	5 399
Service charges - refuse revenue	2	2 711	3 226	3 351	4 145	4 281	–	–	4 602	4 924	5 269
Service charges - other									206	221	236
Rental of facilities and equipment			309	340	134	219	219		339	362	388
Interest earned - external investments		162	355	680	260	260	260		260	260	260
Interest earned - outstanding debtors		232	301	390	370	370	370		370	400	430
Dividends received									–	–	–
Fines			109	61	36	5	5		4 600	4 969	5 366
Licences and permits			615	5	610	241	241		241	258	276
Agency services			7	616	12				–	–	–
Transfers recognised - operational		15 738	22 993	27 307	34 004		34 004		37 981	42 981	46 605
Other revenue	2	1 653	–	1 846	65 899	66 777	–	–	438	281	301
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>49 100</b>	<b>62 268</b>	<b>68 625</b>	<b>143 388</b>	<b>112 509</b>	<b>35 099</b>	<b>–</b>	<b>94 973</b>	<b>103 952</b>	<b>111 878</b>
<b>Expenditure By Type</b>											
Employee related costs	2	19 470	20 153	20 813	27 562	26 263	–	–	35 056	36 808	39 843
Remuneration of councillors		2 064	1 960	1 933	1 934	1 934	1 934		2 615	2 746	2 938
Debt impairment	3	5 347	1 572	7 385	6 300	8 000	8 000		8 000	8 400	8 820
Depreciation & asset impairment	2	–	5 508	10 428	6 664	8 646	–	–	9 745	10 427	11 157
Finance charges		1 947	1 998	1 762	267	280	280		450	473	563
Bulk purchases	2	9 556	10 594	14 652	21 870	21 870	–	–	24 875	26 118	31 253
Other materials	8										
Contracted services		–	735	–	1 152	1 152	–	–	3 107	3 262	3 490
Transfers and grants		–	–	2 192	–	–	–	–	7 297	7 662	8 198
Other expenditure	4, 5	–	12 051	13 162	52 828	48 597	50 884	–	20 099	21 108	22 840
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>38 384</b>	<b>54 571</b>	<b>72 326</b>	<b>118 577</b>	<b>116 742</b>	<b>61 098</b>	<b>–</b>	<b>111 243</b>	<b>117 005</b>	<b>129 103</b>
<b>Surplus/(Deficit)</b>		<b>10 716</b>	<b>7 697</b>	<b>(3 701)</b>	<b>24 811</b>	<b>(4 233)</b>	<b>(25 999)</b>	<b>–</b>	<b>(16 271)</b>	<b>(13 053)</b>	<b>(17 225)</b>
Transfers recognised - capital				17 029					26 737	22 639	24 890
Contributions recognised - capital	6	–	–	–	24 622	26 527	–	–	–	–	–
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>10 716</b>	<b>7 697</b>	<b>13 328</b>	<b>49 433</b>	<b>22 294</b>	<b>(25 999)</b>	<b>–</b>	<b>10 466</b>	<b>9 586</b>	<b>7 665</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>10 716</b>	<b>7 697</b>	<b>13 328</b>	<b>49 433</b>	<b>22 294</b>	<b>(25 999)</b>	<b>–</b>	<b>10 466</b>	<b>9 586</b>	<b>7 665</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>10 716</b>	<b>7 697</b>	<b>13 328</b>	<b>49 433</b>	<b>22 294</b>	<b>(25 999)</b>	<b>–</b>	<b>10 466</b>	<b>9 586</b>	<b>7 665</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>10 716</b>	<b>7 697</b>	<b>13 328</b>	<b>49 433</b>	<b>22 294</b>	<b>(25 999)</b>	<b>–</b>	<b>10 466</b>	<b>9 586</b>	<b>7 665</b>

### Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R94,973 million in 2012/13 and increase to R111,878 million by 2014/15.
2. Revenue to be generated from property rates is R7,556 million in the 2012/13 financial year and increases to R8,807 million by 2014/15 which represents 7,8 per cent of the operating revenue base of the municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 7.9 per cent, 7.99 per cent and 7.8 per cent for each of the respective financial years over the MTREF.

3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R42,982 million for the 2012/13 financial year and increasing to R49,210 million by 2014/15. This growth can mainly be attributed to the increases in tariffs over the MTREF.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that the grants receipts from national government are growing rapidly over the MTREF.
5. Bulk purchases have significantly increased over the 2008/09 to 2014/15 period escalating from R9,556 million to R30,523 million. These increases can be attributed to the substantial increase in the cost of bulk Electricity from Eskom .
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

**Table 19 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

NC078 Siyancuma - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - FINANCE		-	-	-	-	-	-	-	-	-	-
Vote 5 - INTERNS		-	-	-	-	-	-	-	-	-	-
Vote 6 - PROPERTIES		-	-	-	-	-	-	-	-	-	-
Vote 7 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 8 - TRAFFIC		-	-	-	-	-	-	-	-	-	-
Vote 9 - HOLIDAY RESORT		-	-	-	-	-	-	-	-	-	-
Vote 10 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 11 - DISASTER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 12 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 13 - PUBLIC WORKS ROADS		-	-	-	-	-	-	-	-	-	-
Vote 14 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 15 - WATER		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	225	225	-	82	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	790	951	951	-	130	137	130
Vote 4 - FINANCE		-	-	-	130	218	218	-	130	137	130
Vote 5 - INTERNS		-	-	-	-	-	-	-	-	-	-
Vote 6 - PROPERTIES		1 357	-	-	-	-	-	-	-	-	-
Vote 7 - COMMUNITY SERVICES		120	-	-	370	658	658	-	624	-	-
Vote 8 - TRAFFIC		-	-	-	-	-	-	-	250	-	-
Vote 9 - HOLIDAY RESORT		255	-	-	-	-	-	-	-	-	-
Vote 10 - WASTE WATER MANAGEMENT		18 174	-	-	-	-	-	-	-	-	-
Vote 11 - DISASTER MANAGEMENT		-	-	-	-	195	195	-	-	-	-
Vote 12 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 13 - PUBLIC WORKS ROADS		-	-	-	220	1 148	1 148	-	-	-	-
Vote 14 - ELECTRICITY		-	-	1 733	2 964	3 118	3 118	-	600	1 000	2 000
Vote 15 - WATER		-	-	14 300	17 350	17 086	17 086	-	25 513	21 639	22 890
<b>Capital single-year expenditure sub-total</b>		19 906	-	16 033	21 824	23 599	23 599	-	27 329	22 912	25 150
<b>Total Capital Expenditure - Vote</b>		19 906	-	16 033	21 824	23 599	23 599	-	27 329	22 912	25 150
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		-	-	-	920	1 394	1 394	-	342	273	260
Executive and council		-	-	-	-	225	225	-	82	-	-
Budget and treasury office		-	-	-	130	218	218	-	130	137	130
Corporate services		-	-	-	790	951	951	-	130	137	130
<b>Community and public safety</b>		1 733	-	-	370	853	853	-	624	-	-
Community and social services		1 478	-	-	370	658	658	-	624	-	-
Sport and recreation		255	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	195	195	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	220	1 148	1 148	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	220	1 148	1 148	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		18 174	-	16 033	20 314	20 204	20 204	-	26 113	22 639	24 890
Electricity		-	-	1 733	2 964	3 118	3 118	-	600	1 000	2 000
Water		-	-	14 300	17 130	16 910	16 910	-	25 513	21 639	22 890
Waste water management		-	-	-	220	176	176	-	-	-	-
Waste management		18 174	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	250	-	-
<b>Total Capital Expenditure - Standard</b>	3	19 907	-	16 033	21 824	23 599	23 599	-	27 329	22 912	25 150
<b>Funded by:</b>											
National Government		19 906	-	16 033	19 874	19 874	19 874	-	26 113	22 776	25 020
Provincial Government		-	-	-	-	-	-	-	624	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	19 906	-	16 033	19 874	19 874	19 874	-	26 737	22 776	25 020
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	1 410	3 315	3 315	-	592	136	130
Internally generated funds		-	-	-	540	410	410	-	-	-	-
<b>Total Capital Funding</b>	7	19 906	-	16 033	21 824	23 599	23 599	-	27 329	22 912	25 150

### Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme by municipal vote; capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The capital programme is funded from capital and provincial grants and transfers, and internally generated funds from current year surpluses. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

**Table 20 MBRR Table A6 - Budgeted Financial Position**

NC078 Siyancuma - Table A6 Budgeted Financial Position

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash				13 164	13 164	13 164	13 164		13 164	13 164	13 164
Call investment deposits	1	56	6 613	–	–	–	–	–	–	–	–
Consumer debtors	1	939	5 016	9 722	9 722	9 722	9 722	–	9 722	9 722	9 722
Other debtors		4 160	6 341	3 717	3 717	3 717	3 717		3 717	3 717	3 717
Current portion of long-term receivables											
Inventory	2			100	100	100	100		100	100	100
<b>Total current assets</b>		5 155	17 970	26 704	26 704	26 704	26 704	–	26 704	26 704	26 704
<b>Non current assets</b>											
Long-term receivables			10								
Investments											
Investment property				9 982	9 982	9 982	9 982		9 982	9 982	9 982
Investment in Associate											
Property, plant and equipment	3	114 579	125 964	278 145	278 145	278 145	278 145	–	295 729	280 884	271 965
Agricultural											
Biological				468	468	468	468		468	468	468
Intangible				523	523	523	523		523	523	523
Other non-current assets											
<b>Total non current assets</b>		114 579	125 974	289 117	289 118	289 118	289 118	–	306 701	291 857	282 938
<b>TOTAL ASSETS</b>		119 734	143 944	315 821	315 821	315 821	315 821	–	333 405	318 561	309 641
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	2 558	–	–	–	–	–	–	–	–	–
Borrowing	4	132	150	637	637	637	637	–	637	637	637
Consumer deposits		166	173	184	184	184	184	–	184	184	184
Trade and other payables	4	8 357	13 202	16 313	16 313	16 313	16 313	–	16 313	16 313	16 313
Provisions		2 920	2 285	1 856	1 856	1 856	1 856	–	1 856	1 856	1 856
<b>Total current liabilities</b>		14 133	15 810	18 990	18 990	18 990	18 990	–	18 990	18 990	18 990
<b>Non current liabilities</b>											
Borrowing		672	522	2 358	2 358	2 358	2 358	–	2 358	2 358	2 358
Provisions		6 035	6 301	10 853	10 853	10 853	10 853	–	10 853	10 853	10 853
<b>Total non current liabilities</b>		6 707	6 823	13 211	13 211	13 211	13 211	–	13 211	13 211	13 211
<b>TOTAL LIABILITIES</b>		20 840	22 633	32 201	32 201	32 201	32 201	–	32 201	32 201	32 201
<b>NET ASSETS</b>	5	98 894	121 311	283 620	283 620	283 620	283 620	–	301 204	286 359	277 440
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		98 895	121 311	283 620	283 620	283 620	283 620	–	282 841	293 204	285 486
Reserves	4	–	–	–	–	–	–	–	–	–	–
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	98 895	121 311	283 620	283 620	283 620	283 620	–	282 841	293 204	285 486

### Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table 21 MBRR Table A7 - Budgeted Cash Flow Statement**

NC078 Siyancuma - Table A7 Budgeted Cash Flows

NC070 Strydom - Table A7 Budgeted Cash Flows											
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other			47 435	46 000	42 207	42 779	42 779		56 362	60 312	64 584
Government - operating	1			30 000	56 936	57 436	57 436		37 981	42 981	46 605
Government - capital	1			16 000	24 312				26 737	22 639	24 890
Interest			657	1 000	630	260	260		630	660	690
Dividends									-		
Payments											
Suppliers and employees			(47 448)	(77 000)	(84 100)	(84 100)	(84 100)		(85 960)	(98 845)	(109 547)
Finance charges			(1 998)	(1 000)	(267)	(280)	(280)		(450)	(473)	(563)
Transfers and Grants	1		(27 491)	(5 000)	(3 000)	(10)	(10)		(7 297)	(7 662)	(8 198)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	(28 845)	10 000	36 718	16 085	16 085	-	28 003	19 611	18 461
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (Increase) in non-current debtors											
Decrease (Increase) other non-current receivables			(10)		(600)						
Decrease (Increase) in non-current investments											
Payments											
Capital assets					(21 694)	(23 959)	(23 959)		(27 329)	(22 639)	(24 890)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(10)	-	(22 294)	(23 959)	(23 959)	-	(27 329)	(22 639)	(24 890)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing					1 630	3 057	3 057				
Increase (decrease) in consumer deposits			7	10	11						
Payments											
Repayment of borrowing			(132)	(200)	(2 358)	(3 118)	(3 118)		(640)	(672)	(532)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(125)	(190)	(717)	(61)	(61)	-	(640)	(672)	(532)
NET INCREASE/ (DECREASE) IN CASH HELD											
	2	-	(28 980)	9 810	13 707	(7 935)	(7 935)	-	33	(3 700)	(6 961)
Cash/cash equivalents at the year begin:	2	(2 502)	(2 502)	(31 482)	36 433			-	13 164	13 197	9 497
Cash/cash equivalents at the year end:	2	(2 502)	(31 482)	(21 672)	50 140	(7 935)	(7 935)	-	13 197	9 497	2 536

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The cash flow of the municipality fluctuate significantly over the 2009/10 to 2011/12 period due to a net decrease in cash since the 2008/09 financial year.
4. As part of the 2010/11 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
5. In addition the Municipality undertook an extensive debt collection drive resulting in cash receipts on arrear debtors of R204 million. These interventions translated into a net cash position of R9.810 million for the 2010/11 financial year.
6. The 2011/12 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term and resulted in a budgeted positive cash flow of R13.787.
7. A positive cash flow of R33 thousand was budgeted for the 2012/13 financial year but the planning for the next two financial years should be adjusted to enable a positive cash flow.

**Table 22 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

NC078 Siyancuma - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	(2 502)	(31 482)	(21 672)	50 140	(7 935)	(7 935)	-	13 197	9 497	2 536
Other current investments > 90 days		-	38 095	34 836	(36 976)	21 099	21 099	-	(33)	3 667	10 628
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>(2 502)</b>	<b>6 613</b>	<b>13 164</b>	<b>13 164</b>	<b>13 164</b>	<b>13 164</b>	<b>-</b>	<b>13 164</b>	<b>13 164</b>	<b>13 164</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		3 797	6 880	9 950	9 950	9 950	9 950	-	9 950	9 950	9 950
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	2 085	(10 574)	(11 588)	(1 573)	(1 497)	(684 920)	-	(9 727)	(9 726)	(9 726)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>5 882</b>	<b>(3 694)</b>	<b>(1 638)</b>	<b>8 377</b>	<b>8 453</b>	<b>(674 970)</b>	<b>-</b>	<b>223</b>	<b>224</b>	<b>224</b>
<b>Surplus(shortfall)</b>		<b>(8 384)</b>	<b>10 307</b>	<b>14 802</b>	<b>4 787</b>	<b>4 711</b>	<b>688 134</b>	<b>-</b>	<b>12 941</b>	<b>12 940</b>	<b>12 940</b>

**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The municipality maintains a positive cash flow for the MTREF period.

**Table 23 MBRR Table A9 - Asset Management**



NC078 Siyancoma - Table A9 Asset Management

NC076 Stryancuma - Table A7 Asset management										
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
<b>CAPITAL EXPENDITURE</b>										
<b><u>Total New Assets</u></b>	1	-	-	16 033	21 694	23 599	3 725	27 329	22 913	25 150
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	1 733	2 964	2 964	-	600	1 000	2 000
Infrastructure - Water		-	-	14 300	16 910	16 910	-	25 513	21 639	22 890
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	16 033	19 874	19 874	-	26 113	22 639	24 890
Community		-	-	-	-	-	-	624	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	1 820	3 725	3 725	592	274	260
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b><u>Total Renewal of Existing Assets</u></b>	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b><u>Total Capital Expenditure</u></b>	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	1 733	2 964	2 964	-	600	1 000	2 000
Infrastructure - Water		-	-	14 300	16 910	16 910	-	25 513	21 639	22 890
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	16 033	19 874	19 874	-	26 113	22 639	24 890
Community		-	-	-	-	-	-	624	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	1 820	3 725	3 725	592	274	260
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	-	-	16 033	21 694	23 599	3 725	27 329	22 913	25 150
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport										
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other										
Infrastructure		-	-	-	-	-	-	-	-	-
Community										
Heritage assets										
Investment properties		-	-	9 982	9 982	9 982	9 982	9 982	9 982	9 982
Other assets										
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	468	468	468	468	468	468	468
Intangibles		-	-	523	523	523	523	523	523	523
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	-	-	10 973	10 973	10 973	10 973	10 973	10 973	10 973
<b>EXPENDITURE OTHER ITEMS</b>										
<b><u>Depreciation &amp; asset impairment</u></b>	3	-	5 508	10 428	6 664	8 646	-	9 745	10 427	11 157
<b><u>Repairs and Maintenance by Asset Class</u></b>		-	-	4 215	7 866	5 070	5 070	7 374	7 744	8 286
Infrastructure - Road transport		-	-	-	-	1 383	1 383	1 910	2 006	2 146
Infrastructure - Electricity		-	-	1 072	2 815	674	674	1 188	1 247	1 335
Infrastructure - Water		-	-	1 167	1 448	892	892	1 276	1 339	1 433
Infrastructure - Sanitation		-	-	537	920	500	500	650	684	732
Infrastructure - Other		-	-	-	-	183	183	241	253	271
Infrastructure		-	-	2 776	5 783	3 632	3 632	5 265	5 529	5 976
Community		-	-	1 090	1 936	568	568	821	862	922
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	349	747	870	870	1 289	1 353	1 448
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		-	5 508	14 643	14 530	13 716	5 070	17 119	18 171	19 443
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Renewal of Existing Assets as % of deprecn"</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>R&amp;M as a % of PPE</b>		0.0%	0.0%	1.5%	2.8%	1.8%	1.8%	2.5%	2.8%	3.0%
<b>Renewal and R&amp;M as a % of PPE</b>		0.0%	0.0%	38.0%	72.0%	46.0%	46.0%	67.0%	71.0%	76.0%

**Explanatory notes to Table A9 - Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. Unfortunately due to the huge backlogs the municipality cannot attend to the renewal of assets yet.

NC078 Siyancuma - Table A10 Basic service delivery measurement

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		11 826	11 826	11 826	11 826	11 826	11 826	11 826	11 826	11 826
Piped water inside yard (but not in dwelling)		14 692	14 692	14 692	14 692	14 692	14 692	14 692	14 692	14 692
Using public tap (at least min.service level)	2	7 167	7 167	7 167	7 167	7 167	7 167	7 167	7 167	7 167
Other water supply (at least min.service level)	4	2 150	2 150	2 150	2 150	2 150	2 150	2 150	2 150	2 150
<i>Minimum Service Level and Above sub-total</i>		35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		23 722	23 722	23 722	23 722	23 722	23 722	23 722	23 722	23 722
Flush toilet (with septic tank)		788	788	788	788	788	788	788	788	788
Chemical toilet		466	466	466	466	466	466	466	466	466
Pit toilet (ventilated)		7 490	7 490	7 490	7 490	7 490	7 490	7 490	7 490	7 490
Other toilet provisions (> min.service level)		36	36	36	36	36	36	36	36	36
<i>Minimum Service Level and Above sub-total</i>		32 502	32 502	32 502	32 502	32 502	32 502	32 502	32 502	32 502
Bucket toilet		1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434	1 434
Other toilet provisions (< min.service level)		1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		3 333	3 333	3 333	3 333	3 333	3 333	3 333	3 333	3 333
<b>Total number of households</b>	5	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835
<b>Energy:</b>										
Electricity (at least min.service level)		31 857	31 857	31 857	31 857	31 857	31 857	31 857	31 857	31 857
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		31 857	31 857	31 857	31 857	31 857	31 857	31 857	31 857	31 857
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources		3 978	3 978	3 978	3 978	3 978	3 978	3 978	3 978	3 978
<i>Below Minimum Service Level sub-total</i>		3 978	3 978	3 978	3 978	3 978	3 978	3 978	3 978	3 978
<b>Total number of households</b>	5	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835
<b>Refuse:</b>										
Removed at least once a week		35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835
<i>Minimum Service Level and Above sub-total</i>		35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835	35 835
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)					2 277	2 277	2 277	2 500	3 000	3 500
Sanitation (free minimum level service)					2 277	2 277	2 277	2 500	3 000	3 500
Electricity/other energy (50kwh per household per month)					1 500	1 500	1 500	1 505	2 000	2 500
Refuse (removed at least once a week)					2 277	2 277	2 277	2 500	3 000	3 500
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)				189	208	208	208	281	361	451
Sanitation (free sanitation service)				137	101	101	101	136	174	218
Electricity/other energy (50kwh per household per month)				472	624	624	624	696	990	1 324
Refuse (removed once a week)				111	120	120	120	162	208	260
<b>Total cost of FBS provided (minimum social package)</b>		-	-	910	1 053	1 053	1 053	1 275	1 733	2 252
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		-	-	-	15 000	15 000	15 000	15 000	15 000	15 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)				75	75	75	75	93	99	106
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		1	1	1	1	1	1	1	1	1
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)										
Property rates (other exemptions, reductions and rebates)					5 869	5 869	6 308	6 308	6 623	7 087
Water					807	807	807	872	916	980
Sanitation					1 704	1 704	1 704	2 752	2 889	3 092
Electricity/other energy					1 342	1 342	1 342	1 422	1 493	1 598
Refuse					2 051	2 051	2 051	2 191	2 301	2 462
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
<b>Total revenue cost of free services provided (total social package)</b>	6	-	-	-	11 773	11 773	12 212	13 545	14 222	15 218

**Explanatory notes to Table A10 - Basic Service Delivery Measurement**

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs although the municipality is entirely dependent on conditional grants to achieve total eradication.

## Part 2 – Supporting Documentation

### 1.8 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor who is responsible for the finances of the municipality.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### 1.8.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule before 31 August 2011. Key dates applicable to the process were:

- **August 2011** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2012/13 MTREF;
- **November 2011** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;

- **to 7 January 2012** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2012** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **28 January 2012** - Council considers the 2011/12 Mid-year Review and Adjustments Budget;
- **February 2012** - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2012/13 MTREF is revised accordingly;
- **25 March 2012** - Tabling in Council of the draft 2012/13 IDP and 2012/13 MTREF for public consultation;
- **April 2012** – Public consultation;
- **6 May 2012** - Closing date for written comments;
- **6 to 21 May 2012** – finalisation of the 2012/13 IDP and 2012/13 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **29 May 2012** - Tabling of the 2012/13 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

### 1.8.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;  
Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

With the compilation of the 2013/14 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2012/13 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### 1.8.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2012/13 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2012/13 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2011/12 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Budget Circulars has been taken into consideration in the planning and prioritisation process.

### 1.8.4 Community Consultation

The draft 2012/13 MTREF as tabled before Council on 29 March 2012 for community consultation was published, and hard copies were made available at customer care offices, municipal notice boards and various offices.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make comments.

Ward Committees were utilised to facilitate the community consultation process from 17 to 29 April 2012, and included nine public briefing sessions. The applicable dates and venues were published in all the local newspapers and on average attendance of 80 was recorded per meeting. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisation

## 1.9 Overview of alignment of annual budget with IDP

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2012/13 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 25 IDP Strategic Objectives**

2012/13 Financial Year	2012/13 - 15 MTREF
1. Basic Service Delivery	1. Sewerage Refuse removal Electricity admin, generation and distribution Water storage and distribution Cemetery Main roads Commonage Municipal Buildings Public works Parks and gardens
2. Good Governance and Public Participation	2. Good Governance and Public Participation Executive and Council Corporate Services
3. Municipal Financial Viability	3.1 Rates 3.2 Budget and Treasury Office
4. Municipal Institutional Development and Transformation	4. Library Health Museums Clinics
5. Local Economic Development	5.1 Fire Service 5.2 Traffic and licencing 5.3 Civil Defence

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
  - Provide Electricity;
  - Provide water;
  - Provide sanitation;
  - Provide waste removal;
  - Provide housing;
  - Provide roads and storm water;
  - Provide Municipality planning services; and
  - Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
  - Ensuring there is a clear structural plan for the Municipality;
  - Ensuring planning processes function in accordance with set timeframes;
  - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.



- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
  - Effective implementation of the Indigent Policy;
  - Extending waste removal services and ensuring effective Municipality cleansing;
  - Ensuring all waste water treatment works are operating optimally;
  - Working with strategic partners such as SAPS to address crime;
  - Ensuring safe working environments by effective enforcement of building and health regulations;
  - Promote viable, sustainable communities through proper zoning; and
- 3.2 Integrated Social Services for empowered and sustainable communities
  - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
- 4. Foster participatory democracy and Siyancuma principles through a caring, accessible and accountable service by:
  - Optimising effective community participation in the ward committee system; and
  - Implementing Siyancuma in the revenue management strategy.
- 5.1 Promote sound governance through:
  - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
  - Reviewing the use of contracted services
  - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure Municipality to achieve set objectives
  - Review of the organizational structure to optimize the use of personnel;

The 2012/13 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 26 MBRR revenue Table SA4 - Reconciliation between the IDP strategic objectives and budget**

NC078 Siyancuma - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand												
Strategic Management										1 400	1 771	2 080
Administration and Human Resources										213	228	244
Finance Management										37 786	42 631	46 029
Community Services										4 973	5 368	5 794
Waste Management										6 793	7 268	7 777
Roads Maintenance										-	-	-
Electricity Distribution										24 804	26 540	28 398
Water Distribution										11 360	12 155	13 006
Management of waste water										7 645	7 991	8 551
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	-	-	-	-	-	-	94 973	103 952	111 878

**Table 27 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

NC078 Siyancuma - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand												
Strategic Management										6 049	6 351	6 777
Administration and Human Resources										11 956	12 554	13 398
Finance Management										22 434	23 591	25 062
Community Services										7 551	8 001	9 220
Waste Management										12 147	12 754	13 647
Roads Maintenance										8 417	8 837	9 329
Electricity Distribution										29 858	31 325	36 815
Water Distribution										4 852	5 094	5 517
Management of waste water										7 981	8 380	8 990
Allocations to other priorities												
Total Expenditure			1	-	-	-	-	-	-	111 243	116 888	128 754

**Table 28 MBRR Table SA6 - Reconciliation between the IDP strategic objectives.**

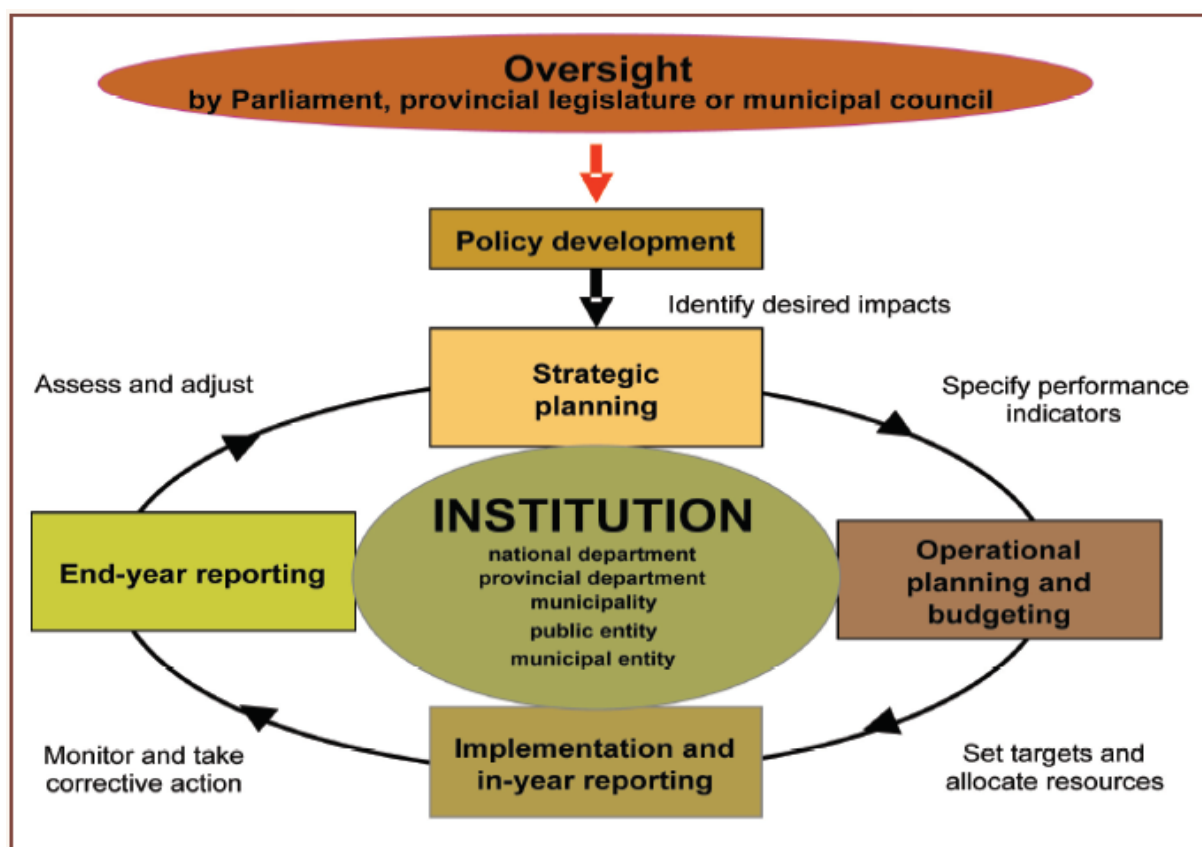
NC078 Siyancuma - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand												
Strategic Management		A								82	-	-
Administration and Human Resources		B								130	137	130
Finance Management		C								130	137	130
Community Services		D								874	-	-
Waste Management		E										
Roads Maintenance		F										
Electricity Distribution		G								600	1 000	2 000
Water Distribution		H								25 513	21 639	22 890
Management of waste water		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	-	-	-	-	-	-	27 329	22 912	25 150

### 1.10 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

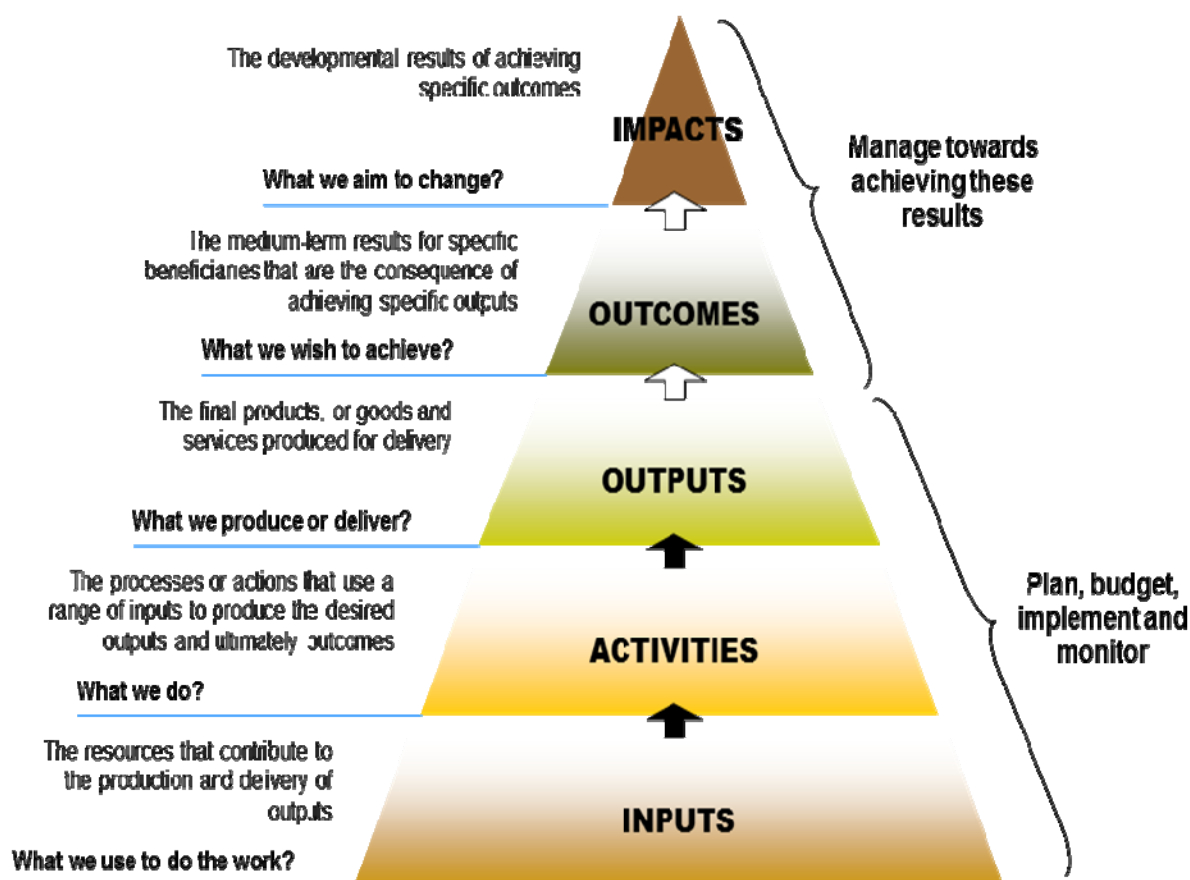


**Figure 1 Planning, budgeting and reporting cycle**

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:



**Figure 2 Definition of performance information concepts**

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

**Table 29 MBRR Table SA7 - Measurable performance objectives**

NC078 Siyancuma - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Strategic Management								6 049	6 351	6 777
Administration and Human Resources								11 956	12 554	13 398
Finance Management								22 434	23 591	25 062
Community Services								7 551	8 001	9 220
Waste Management								12 147	12 754	13 647
Roads Maintenance								8 417	8 837	9 329
Electricity Distribution								29 858	31 325	36 815
Water Distribution								4 852	5 094	5 517
Management of waste water								7 981	8 380	8 990

**1.10.1 Performance indicators and benchmarks***1.10.1.1 Borrowing Management*

- The municipality does not foresee any borrowing during the MTREF.

*1.10.1.2 Safety of Capital*

- Gearing: no borrowing will be undertaken.

*1.10.1.3 Liquidity*

- Current ratio* is a measure of the current assets divided by the current liabilities. For the 2012/13 MTREF the current ratio is 1.4:1 in the 2012/13 financial year.
- The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to erase or redeem, its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1:1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

*1.10.1.4 Revenue Management*

- The revenue value chain must be enhanced to ensuring accurate billing, customer service, credit control and debt collection.

*1.10.1.5 Creditors Management*

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation.

#### 1.10.1.6 Other Indicators

- The electricity distribution losses increase from 33.85% in the 2011/12 financial year to 40.78 per cent over the MTREF. The initiatives to ensure these targets are decreasing the following measurements is in place achieved, managing illegal connections and theft of electricity by rolling out our own metering systems, including prepaid meters.
- The water distribution losses have increased significantly from 45.94 per cent in 2010/11 to 57.44 per cent in 2011/12.

#### 1.10.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality.

For the 2012/13 financial year 3527 registered indigents have been provided for in the budget with this figured increasing to 4000 by 2013/14. In terms of the Municipality's indigent policy registered households are entitled to 6kl fee water, 50 kwh of Electricity, sanitation and free waste removal as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 38.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

### 1.11 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

#### 1.11.1 Review of credit control and debt collection procedures/policies

POLICIES	AMENDED	COMMENTS
Tariff Policy	Yes	
Free Basic Services Policy	Yes	
Credit control and debt Collection Policy	Yes	
Property rates Policy	Yes	
Supply Chain Management Policy	Yes	
Investment Policy	Yes	



## **1.12 Overview of budget assumptions**

### **1.12.1 External factors**

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

### **1.12.2 General inflation outlook and its impact on the municipal activities**

There are five key factors that have been taken into consideration in the compilation of the 2011/12 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk Electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 36 per cent of total operating expenditure in the 2012/13 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC concluded with the municipal workers unions on 31 July 2010 as well as the categorisation and job evaluation wage curves collective agreement signed on 21 April 2010 must be noted. No agreement has been reached for the MTREF and a 8% increase for 2012/13 has been budgeted for

### **1.12.3 Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (75 per cent) of annual billings. Cash flow is assumed to be 75 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### **1.12.4 Salary increases**

No collective agreement regarding salaries/wages has been concluded thus far. An eight per cent increase is budgeted for.

### 1.12.5 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2012/13 MTREF of which performance has been factored into the cash flow budget.

## 1.13 Overview of budget funding

### 1.13.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

**Table 30 Breakdown of the operating revenue over the medium-term**

DESCRIPTION R thousands	2012/13 Medium Term Revenue & Expenditure Framework				
	Budget Year 2012/13	Budget Year +1 2013/14	%	Budget Year +2 2014/15	%
Property Rates	7,556	8,231	9%	8,807	7%
Service Charges	42,982	45,990	7%	49,210	7%
Investment revenue	260	260	0%	260	0%
Transfers recognised – operational	37,981	42,981	13.2%	46,605	8.4%
Other own revenue	6,194	6,490	5%	6,996	7.8%
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	94,973	103,952	9.4%	111,878	7.6%
<b>Total Operating Expenditure</b>	111,243	117,005	5.2%	129,103	10.3%
<b>Surplus/(Deficit)</b>	(16,271)	(13,053)	19.7%	(17,225)	-31.9%

**Table 31 MBRR SA15 – Detail Investment Information**

NC078 Siyancuma - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		56	6 613	6 943	7 290	7 290	7 290	7 290	7 290	7 290
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	56	6 613	6 943	7 290	7 290	7 290	7 290	7 290	7 290
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		56	6 613	6 943	7 290	7 290	7 290	7 290	7 290	7 290

**Table 32 MBRR SA16 – Investment particulars by maturity**

NC078 Siyancuma - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
		Yrs/Months								Rand thousand	
<b>Parent municipality</b>											
begradipiaschusi		1jr	fixed deposit	yes	fixed	3.4	0	0	20.04.2012	2	
siyancuma money market			money market		variable	5	0	0		848	
mig bulk water/oxidation ponds			call deposit		variable	5	0	0		4 638	
library			call deposit		variable	5	0	0		501	
crr			call deposit		variable	5	0	0		131	
royaltiesmines			call deposit		variable	5	0	0		51	
electrification phase 2&3			call deposit		variable	5	0	0		1 120	
<b>Municipality sub-total</b>										7 290	-
<b>Entities</b>											
<b>Entities sub-total</b>										-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	1									7 290	-

**1.13.2 Medium-term outlook: capital revenue****Table 38 Sources of capital revenue over the MTREF**

Description	Current year 2011/12		2012/12 Medium Term Revenue & Expenditure Framework					
	Adjusted budget	%	Budget year 2012/13	%	Budget year 2013/14	%	Budget year 2014/15	%
National Government	19,874		26,113		22,639		24,890	
Provincial Government			624					
Transfers recognised-capital	19,874							
Public contributions								
Borrowing								
Internally generated funds			592		273		260	
<b>Total capital funding</b>	<b>19,874</b>		<b>27,329</b>	<b>38%</b>	<b>22,912</b>	<b>-16%</b>	<b>25,150</b>	<b>9.7%</b>

Capital grants and receipts fund a major portion of capital expenditure.

**Table 33 MBRR Table SA 17 - Detail of borrowings**

NC078 Siyancuma - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)				2 358						
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit		672	522		970	7 290	7 290	2 358	2 358	2 358
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	672	522	2 358	970	7 290	7 290	2 358	2 358	2 358
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	672	522	2 358	970	7 290	7 290	2 358	2 358	2 358

<b>Unspent Borrowing - Categorised by type</b>										
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Entities</b>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Unspent Borrowing</b>	1	-	-	-	-	-	-	-	-	-

**Table 34 MBRR Table SA 18 - Capital transfers and grant receipts**

NC078 Siyancuma - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		16 973	-	25 818	56 937	56 937	53 937	37 981	42 981	46 605
Local Government Equitable Share		15 738		25 818	31 764	31 764	31 764	35 681	40 331	43 905
Finance Management		500			1 450	1 450	1 450	1 500	1 750	1 750
Municipal Systems Improvement		735			790	790	790	800	900	950
Water Services Operating Subsidy					17 981	17 981	17 981			
Integrated National Electrification Programme					4 952	4 952	1 952			
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		8	-	27	500	500	500	-	-	-
Health subsidy		8		27						
Sport and Recreation					500	500	500			
Other transfers/grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	195	195	-	-	-
[insert description]						195	195			
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	16 981	-	25 845	57 437	57 632	54 632	37 981	42 981	46 605
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		600	-	16 033	22 933	22 933	22 933	26 113	20 561	21 692
Municipal Infrastructure Grant (MIG)		600		14 300	16 910	16 910	16 910	25 513	20 561	21 692
Regional Bulk Infrastructure				1 733	2 964	2 964	2 964	-	-	-
Regional Bulk Infrastructure					1 988	1 988	1 988	-	-	-
					1 071	1 071	1 071	-	-	-
Electricity								600		
<b>Provincial Government:</b>		-	-	-	-	-	-	624	-	-
Libraries								624		
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	600	-	16 033	22 933	22 933	22 933	26 737	20 561	21 692
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		17 581	-	41 878	80 370	80 565	77 565	64 718	63 542	68 297

### 1.13.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

**Table 35 MBRR Table A7 - Budget cash flow statement**

NC078 Siyancuma - Table A7 Budgeted Cash Flows

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other	1		47 435	46 000	42 207	42 779	42 779		56 362	60 312	64 584
Government - operating				30 000	56 936	57 436	57 436		37 981	42 981	46 605
Government - capital	1			16 000	24 312				26 737	22 639	24 890
Interest			657	1 000	630	260	260		630	660	690
Dividends									-		
<b>Payments</b>											
Suppliers and employees			(47 448)	(77 000)	(84 100)	(84 100)	(84 100)		(85 960)	(98 845)	(109 547)
Finance charges			(1 998)	(1 000)	(267)	(280)	(280)		(450)	(473)	(563)
Transfers and Grants	1		(27 491)	(5 000)	(3 000)	(10)	(10)		(7 297)	(7 662)	(8 198)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	(28 845)	10 000	36 718	16 085	16 085	-	28 003	19 611	18 461
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE											
Decrease (increase) in non-current debtors											
Decrease (increase) other non-current receivables			(10)		(600)						
Decrease (increase) in non-current investments											
<b>Payments</b>											
Capital assets					(21 694)	(23 959)	(23 959)		(27 329)	(22 639)	(24 890)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	(10)	-	(22 294)	(23 959)	(23 959)	-	(27 329)	(22 639)	(24 890)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans											
Borrowing long term/refinancing					1 630	3 057	3 057				
Increase (decrease) in consumer deposits			7	10	11						
<b>Payments</b>											
Repayment of borrowing			(132)	(200)	(2 358)	(3 118)	(3 118)		(640)	(672)	(532)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	(125)	(190)	(717)	(61)	(61)	-	(640)	(672)	(532)
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		-	(28 980)	9 810	13 707	(7 935)	(7 935)	-	33	(3 700)	(6 961)
Cash/cash equivalents at the year begin:	2	(2 502)	(2 502)	(31 482)	36 433			-	13 164	13 197	9 497
Cash/cash equivalents at the year end:	2	(2 502)	(31 482)	(21 672)	50 140	(7 935)	(7 935)	-	13 197	9 497	2 536

### 1.13.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

**Table 36 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

NC078 Siyancuma - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	(2 502)	(31 482)	(21 672)	50 140	(7 935)	(7 935)	-	13 197	9 497	2 536
Other current investments > 90 days		-	38 095	34 836	(36 976)	21 099	21 099	-	(33)	3 667	10 628
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>(2 502)</b>	<b>6 613</b>	<b>13 164</b>	<b>13 164</b>	<b>13 164</b>	<b>13 164</b>	<b>-</b>	<b>13 164</b>	<b>13 164</b>	<b>13 164</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		3 797	6 880	9 950	9 950	9 950	9 950	-	9 950	9 950	9 950
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	2 085	(10 574)	(11 588)	(1 573)	(1 497)	(684 920)	-	(9 727)	(9 726)	(9 726)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>5 882</b>	<b>(3 694)</b>	<b>(1 638)</b>	<b>8 377</b>	<b>8 453</b>	<b>(674 970)</b>	<b>-</b>	<b>223</b>	<b>224</b>	<b>224</b>
<b>Surplus(shortfall)</b>		<b>(8 384)</b>	<b>10 307</b>	<b>14 802</b>	<b>4 787</b>	<b>4 711</b>	<b>688 134</b>	<b>-</b>	<b>12 941</b>	<b>12 940</b>	<b>12 940</b>



### 1.13.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

NC078 Siyancuma Supporting Table SA10 Funding measurement

WC076 Siyancuma Supporting Table SAFO Funding measurement												
Description	MFMA section	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(2 502)	(31 482)	(21 672)	50 140	(7 935)	(7 935)	-	13 197	9 497	2 536
Cash + investments at the yr end less applications - R'000	18(1)b	2	(8 384)	10 307	14 802	4 787	4 711	688 134	-	12 941	12 940	12 940
Cash year end/monthly employee/supplier payments	18(1)b	3	(0.8)	(9.1)	(4.8)	7.7	(1.3)	(3.5)	-	1.8	1.2	0.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	10 716	7 697	13 328	49 433	22 294	(25 999)	-	10 466	9 586	7 665
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	14.0%	(6.5%)	6.5%	0.1%	(106.0%)	(6.0%)	7.7%	1.3%	1.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	121.9%	113.2%	38.7%	38.1%	5123.2%	0.0%	99.3%	99.3%	99.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	17.1%	4.1%	19.6%	14.9%	17.8%	3653.0%	0.0%	15.7%	15.3%	15.0%
Capital payments % of capital expenditure	18(1)c:19	8	0.0%	0.0%	0.0%	99.4%	101.5%	101.5%	0.0%	100.0%	98.8%	99.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	83.6%	82.1%	82.1%	0.0%	0.0%	0.0%	0.0%
Grants % of Gov't legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	122.7%	18.3%	0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	1.5%	2.8%	1.8%	1.8%	0.0%	2.5%	2.8%	3.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

#### 1.13.5.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The municipality show a positive cash equivalent position for the MTREF period

#### 1.13.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 25. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

*1.13.5.3 Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

*1.13.5.4 Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2012/13 MTREF the indicative outcome is a surplus of R33 thousand after the non-cash items is deducted.

*1.13.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth.

*1.13.5.6 Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

*1.13.5.7 Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. Adequate provision has been appropriated the MTREF period.

*1.13.5.8 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

*1.13.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)*

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

*1.13.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

*1.13.5.11 Consumer debtors change (Current and Non-current)*

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the municipality's policy of settling debtor accounts within 30 days.

*1.13.5.12 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 60 MBRR SA34C on page 90.

*1.13.5.13 Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b.

## 1.14 Expenditure on grants and reconciliations of unspent funds

**Table 37 MBRR SA19 - Expenditure on transfers and grant programmes**

NC078 Siyancuma - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		17 799	-	25 818	57 437	57 437	57 437	37 981	42 981	46 605
Local Government Equitable Share		15 738		25 818	31 764	31 764	31 764	35 681	40 331	43 905
Finance Management		718			1 450	1 450	1 450	1 500	1 750	1 750
Municipal Systems Improvement		1 343			790	790	790	800	900	950
Water Services Operating Subsidy					17 981	17 981	17 981			
Integrated National Electrification Programme					4 952	4 952	4 952			
					500	500	500			
<b>Other transfers/grants [insert description]</b>										
<b>Provincial Government:</b>		969	-	27	-	-	-	-	-	-
Health subsidy		112		27						
Sport and Recreation		857								
<b>Other transfers/grants [insert description]</b>										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Total operating expenditure of Transfers and Grants</b>		18 768	-	25 845	57 437	57 437	57 437	37 981	42 981	46 605
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		4 818	-	16 033	22 663	22 663	22 933	26 737	22 639	24 890
Municipal Infrastructure Grant (MIG)		4 818		14 300	16 910	16 910	16 910	25 513	21 639	22 890
Regional Bulk Infrastructure				1 733	2 694	2 694	2 964	624	-	-
Regional Bulk Infrastructure					1 988	1 988	1 988			
					1 071	1 071	1 071			
<b>Electricity</b>								600	1 000	2 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>Libraries</b>										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Total capital expenditure of Transfers and Grants</b>		4 818	-	16 033	22 663	22 663	22 933	26 737	22 639	24 890
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		23 586	-	41 878	80 100	80 100	80 370	64 718	65 620	71 495

**Table 38 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**

NC078 Siyancuma - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year								-	-	-
Current year receipts				25 818	34 004	34 004	34 004	37 981	42 981	46 605
Conditions met - transferred to revenue		-	-	25 818	34 004	34 004	34 004	37 981	42 981	46 605
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year								-	-	-
Current year receipts								624	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	624	-	-
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year					-					
Current year receipts				-	-					
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		-	-	25 818	34 004	34 004	34 004	38 605	42 981	46 605
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year					4 682	4 682	1 682	21 900	-	-
Current year receipts				16 033	19 604	19 604	21 113	22 639	24 890	24 890
Conditions met - transferred to revenue		-	-	16 033	24 286	24 286	21 286	43 013	22 639	24 890
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		-	-	16 033	24 286	24 286	21 286	43 013	22 639	24 890
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		-	-	41 851	58 290	58 290	55 290	81 618	65 620	71 495
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-

## **1.15 Councillor and employee benefits**

**Table 39 MBRR SA22 - Summary of councillor and staff benefits**

NC078 Siyncuma - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		1 463	–	1 760	1 764	1 934	3 939	4 254	4 573	4 916
Pension and UIF Contributions		26								
Medical Aid Contributions		14								
Motor Vehicle Allowance		450								
Cellphone Allowance		112								
Housing Allowances										
Other benefits and allowances										
<b>Sub Total - Councillors</b>	4	2 065	–	1 760	1 764	1 934	3 939	4 254	4 573	4 916
% increase			(100.0%)	–	0.2%	9.6%	103.6%	8.0%	7.5%	7.5%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		1 212			1 902	1 902	1 300	1 404	1 510	1 623
Pension and UIF Contributions		246			339	339	146	158	–	
Medical Aid Contributions		87					39	42		
Overtime										
Performance Bonus		24			46	46	38	41		
Motor Vehicle Allowance	3	809			590	590	329	356		
Cellphone Allowance	3	150								
Housing Allowances	3						74	80		
Other benefits and allowances	3						38	41		
Payments in lieu of leave							25			
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Senior Managers of Municipality</b>	4	2 528	–	–	2 877	2 877	1 989	2 122	1 510	1 623
% increase			(100.0%)	–	–	–	(30.9%)	6.7%	(28.9%)	7.5%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		10 194		15 953	15 575	15 575	7 695	15 200	16 340	17 567
Pension and UIF Contributions		1 858		2 463	2 619	2 619	1 352	2 289		
Medical Aid Contributions		1 121		998	1 205	1 205	471	790		
Overtime		828	–	969	765	739	1 230	1 323	1 323	1 422
Performance Bonus				1 028	1 018	5 056	5 056	5 460	1 362	1 464
Motor Vehicle Allowance	3	2 658		3 024	928		1 206	2 362		
Cellphone Allowance	3				70		105	183	183	183
Housing Allowances	3	386		403	397		1 419	1 657		
Other benefits and allowances	3	282		482	582		461	473	508	546
Payments in lieu of leave					1 052		11	28		
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Other Municipal Staff</b>	4	17 327	–	25 320	24 211	24 455	18 514	29 673	19 716	21 182
% increase			(100.0%)	–	(4.4%)	1.0%	(24.3%)	60.3%	(33.6%)	7.4%
<b>Total Parent Municipality</b>		21 920	–	27 080	28 852	29 266	24 441	36 049	25 798	27 721
			(100.0%)	–	6.5%	1.4%	(16.5%)	47.5%	(28.4%)	7.5%
<b>Board Members of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Board Members of Entities</b>	4	–	–	–	–	–	–	–	–	–
% increase										
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Senior Managers of Entities</b>	4	–	–	–	–	–	–	–	–	–
% increase										
<b>Other Staff of Entities</b>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
<b>Sub Total - Other Staff of Entities</b>	4	–	–	–	–	–	–	–	–	–
% increase										
<b>Total Municipal Entities</b>		–	–	–	–	–	–	–	–	–
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>										
		21 920	–	27 080	28 852	29 266	24 441	36 049	25 798	27 721
% increase	4		(100.0%)	–	6.5%	1.4%	(16.5%)	47.5%	(28.4%)	7.5%
<b>TOTAL MANAGERS AND STAFF</b>	5	19 855	–	25 320	27 088	27 332	20 503	31 795	21 226	22 805

NC078 Siyancuma - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

68 | Page



**Table 41 MBRR SA24 – Summary of personnel numbers**

NC078 Siyancuma - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2010/11			Current Year 2011/12			Budget Year 2012/13		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		5			11			11		
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	3	1	2	4	1	3	4	1	2
Other Managers	7									
Professionals		27	22	5	29	24	5	29	24	5
<i>Finance</i>		22	22		24	24		24	24	
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>		5		5	5		5	5		5
Technicians		79	79	–	79	79	–	79	79	–
<i>Finance</i>										
<i>Spatial/town planning</i>										
<i>Information Technology</i>										
<i>Roads</i>		17	17		17	17		17	17	
<i>Electricity</i>		8	8		8	8		8	8	
<i>Water</i>		8	8		8	8		8	8	
<i>Sanitation</i>		14	14		14	14		14	14	
<i>Refuse</i>		19	19		19	19		19	19	
<i>Other</i>		13	13		13	13		13	13	
Clerks (Clerical and administrative)		23	23		27	27		27	27	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
<b>TOTAL PERSONNEL NUMBERS</b>		137	125	7	150	131	8	150	131	7
<b>% Increase</b>					9.5%	4.8%	14.3%	–	–	(12.5%)
<b>Total municipal employees headcount</b>	6									
Finance personnel headcount	8									
Human Resources personnel headcount	8									

## **1.16 Monthly targets for revenue, expenditure and cash flow**

**Table 42 MBRR SA25 - Budgeted monthly revenue and expenditure**

NC078 Siyancuma - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand																
Revenue By Source																
Property rates		630	630	630	630	630	630	630	630	630	630	630	626	7 556	8 231	8 807
Property rates - penalties & collection charges		1 238	1 238	1 238	1 238	1 238	1 238	1 238	1 238	1 238	1 238	1 238	(13 618)	-	-	-
Service charges - electricity revenue		1 946	1 946	1 946	1 946	1 946	1 946	1 946	1 946	1 946	1 946	1 946	1 948	23 354	24 989	26 738
Service charges - water revenue		871	871	871	871	871	871	871	871	871	871	871	729	10 310	11 032	11 804
Service charges - sanitation revenue		393	393	393	393	393	393	393	393	393	393	393	393	4 716	5 046	5 399
Service charges - refuse revenue		384	384	384	384	384	384	384	384	384	384	384	378	4 602	4 924	5 269
Service charges - other													206	206	221	236
Rental of facilities and equipment		8	8	8	8	8	8	8	8	8	8	8	251	339	362	388
Interest earned - external investments		22	22	22	22	22	22	22	22	22	22	22	18	260	260	260
Interest earned - outstanding debtors		31	31	31	31	31	31	31	31	31	31	31	29	370	400	430
Dividends received													-	-	-	-
Fines													4 600	4 600	4 969	5 366
Licences and permits		20	20	20	20	20	20	20	20	20	20	20	21	241	258	276
Agency services													-	-	-	-
Transfers recognised - operational		5 209	5 209	5 209	5 209	5 209	5 209	5 209	5 209	5 209	5 209	5 209	(19 318)	37 981	42 981	46 605
Other revenue		5	5	5	5	5	5	5	5	5	5	5	383	438	281	301
Gains on disposal of PPE													-	-	-	-
Total Revenue (excluding capital transfers and contributions)		10 757	10 757	10 757	10 757	10 757	10 757	10 757	10 757	10 757	10 757	10 757	(23 354)	94 973	103 952	111 878
Expenditure By Type																
Employee related costs		2 922	2 922	2 922	2 922	2 922	2 922	2 922	2 922	2 922	2 922	2 922	2 914	35 056	36 808	39 843
Remuneration of councillors		218	218	218	218	218	218	218	218	218	218	218	217	2 615	2 746	2 938
Debt impairment		666	666	666	666	666	666	666	666	666	666	666	674	8 000	8 400	8 820
Depreciation & asset impairment		812	812	812	812	812	812	812	812	812	812	812	813	9 745	10 427	11 157
Finance charges		37	37	37	37	37	37	37	37	37	37	37	43	450	473	563
Bulk purchases		2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 666	24 875	26 118	31 253
Other materials													-	-	-	-
Contracted services		259	259	259	259	259	259	259	259	259	259	259	258	3 107	3 262	3 490
Transfers and grants													7 297	7 297	7 662	8 198
Other expenditure		5 785	5 785	5 785	5 785	5 785	5 785	5 785	5 785	5 785	5 785	5 785	(43 536)	20 099	21 108	22 840
Loss on disposal of PPE													-	-	-	-
Total Expenditure		12 718	12 718	12 718	12 718	12 718	12 718	12 718	12 718	12 718	12 718	12 718	(28 655)	111 243	117 005	129 103
Surplus/(Deficit)		(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	5 300	(16 271)	(13 053)	(17 225)
Transfers recognised - capital													26 737	26 737	22 639	24 890
Contributions recognised - capital													-	-	-	-
Contributed assets													-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	32 037	10 466	9 586	7 665
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	(1 961)	32 037	10 466	9 586	7 665

**Table 43 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

NC078 Siyancuma - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue by Vote</b>																
Vote 1 - MUNICIPAL MANAGER													-	-	-	-
Vote 2 - COUNCIL		117	117	117	117	117	117	117	117	117	117	117	113	1 400	1 771	2 080
Vote 3 - CORPORATE SERVICES		18	18	18	18	18	18	18	18	18	18	18	15	213	228	244
Vote 4 - FINANCE		3 632	3 632	3 632	3 632	3 632	3 632	3 632	3 632	3 632	3 632	3 632	(3 666)	36 286	40 881	44 279
Vote 5 - INTERNS		125	125	125	125	125	125	125	125	125	125	125	125	1 500	1 750	1 750
Vote 6 - PROPERTIES		8	8	8	8	8	8	8	8	8	8	8	2	90	96	103
Vote 7 - COMMUNITY SERVICES		14	14	14	14	14	14	14	14	14	14	14	9	163	175	188
Vote 8 - TRAFFIC		383	383	383	383	383	383	383	383	383	383	383	387	4 600	4 968	5 365
Vote 9 - HOLIDAY RESORT		10	10	10	10	10	10	10	10	10	10	10	10	120	128	137
Vote 10 - WASTE WATER MANAGEMENT		637	637	637	637	637	637	637	637	637	637	637	638	7 645	7 991	8 551
Vote 11 - DISASTER MANAGEMENT													-	-	-	-
Vote 12 - WASTE MANAGEMENT		566	566	566	566	566	566	566	566	566	566	566	567	6 793	7 268	7 777
Vote 13 - PUBLIC WORKS ROADS													-	-	-	-
Vote 14 - ELECTRICITY		2 117	2 117	2 117	2 117	2 117	2 117	2 117	2 117	2 117	2 117	2 117	1 517	24 804	26 540	28 398
Vote 15 - WATER		3 072	3 072	3 072	3 072	3 072	3 072	3 072	3 072	3 072	3 072	3 072	(22 432)	11 360	12 155	13 006
<b>Total Revenue by Vote</b>		<b>10 699</b>	<b>10 699</b>	<b>10 699</b>	<b>10 699</b>	<b>10 699</b>	<b>10 699</b>	<b>10 699</b>	<b>10 699</b>	<b>10 699</b>	<b>10 699</b>	<b>10 699</b>	<b>(22 716)</b>	<b>94 973</b>	<b>103 952</b>	<b>111 878</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - MUNICIPAL MANAGER		218	218	218	218	218	218	218	218	218	218	218	229	2 627	2 759	2 952
Vote 2 - COUNCIL		325	325	325	325	325	325	325	325	325	325	325	(154)	3 421	3 593	3 825
Vote 3 - CORPORATE SERVICES		1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	1 024	692	11 956	12 554	13 398
Vote 4 - FINANCE		2 384	2 384	2 384	2 384	2 384	2 384	2 384	2 384	2 384	2 384	2 384	(5 290)	20 934	21 981	23 335
Vote 5 - INTERNS		125	125	125	125	125	125	125	125	125	125	125	125	1 500	1 610	1 726
Vote 6 - PROPERTIES		139	139	139	139	139	139	139	139	139	139	139	(85)	1 444	1 522	1 616
Vote 7 - COMMUNITY SERVICES		187	187	187	187	187	187	187	187	187	187	187	1 410	3 467	3 709	3 999
Vote 8 - TRAFFIC		173	173	173	173	173	173	173	173	173	173	173	(241)	1 662	1 745	1 854
Vote 9 - HOLIDAY RESORT		211	211	211	211	211	211	211	211	211	211	211	(1 716)	605	635	1 333
Vote 10 - WASTE WATER MANAGEMENT		719	719	719	719	719	719	719	719	719	719	719	72	7 981	8 380	8 990
Vote 11 - DISASTER MANAGEMENT		46	46	46	46	46	46	46	46	46	46	46	(134)	372	390	418
Vote 12 - WASTE MANAGEMENT		1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	795	12 147	12 754	13 647
Vote 13 - PUBLIC WORKS ROADS		860	860	860	860	860	860	860	860	860	860	860	(1 043)	8 417	8 837	9 329
Vote 14 - ELECTRICITY		2 637	2 637	2 637	2 637	2 637	2 637	2 637	2 637	2 637	2 637	2 637	851	29 858	31 325	36 815
Vote 15 - WATER		2 636	2 636	2 636	2 636	2 636	2 636	2 636	2 636	2 636	2 636	2 636	(24 144)	4 852	5 094	5 517
<b>Total Expenditure by Vote</b>		<b>12 716</b>	<b>12 716</b>	<b>12 716</b>	<b>12 716</b>	<b>12 716</b>	<b>12 716</b>	<b>12 716</b>	<b>12 716</b>	<b>12 716</b>	<b>12 716</b>	<b>12 716</b>	<b>(28 633)</b>	<b>111 243</b>	<b>116 888</b>	<b>128 754</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>5 916</b>	<b>(16 271)</b>	<b>(12 936)</b>	<b>(16 876)</b>
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>(2 017)</b>	<b>5 916</b>	<b>(16 271)</b>	<b>(12 936)</b>	<b>(16 876)</b>

**Table 44 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

NC078 Siyancuma - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>																
<b>Revenue - Standard</b>																
<i>Governance and administration</i>		3 909	3 909	3 909	3 909	3 909	3 909	3 909	3 909	3 909	3 909	3 909	(3 510)	39 489	44 726	48 456
Executive and council		116	116	116	116	116	116	116	116	116	116	116	124	1 400	1 771	2 080
Budget and treasury office		3 757	3 757	3 757	3 757	3 757	3 757	3 757	3 757	3 757	3 757	3 757	(3 541)	37 786	42 631	46 029
Corporate services		36	36	36	36	36	36	36	36	36	36	36	(93)	303	324	347
<i>Community and public safety</i>		12	12	12	12	12	12	12	12	12	12	12	151	283	304	325
Community and social services		2	2	2	2	2	2	2	2	2	2	2	140	162	175	188
Sport and recreation		10	10	10	10	10	10	10	10	10	10	10	10	120	128	137
Public safety														-	-	-
Housing														-	-	-
Health													1	1	-	-
<i>Economic and environmental services</i>		383	383	383	383	383	383	383	383	383	383	383	387	4 600	4 968	5 365
Planning and development														-	-	-
Road transport		383	383	383	383	383	383	383	383	383	383	383	387	4 600	4 968	5 365
Environmental protection														-	-	-
<i>Trading services</i>		6 393	6 393	6 393	6 393	6 393	6 393	6 393	6 393	6 393	6 393	6 393	(19 722)	50 601	53 955	57 732
Electricity		2 117	2 117	2 117	2 117	2 117	2 117	2 117	2 117	2 117	2 117	2 117	1 517	24 804	26 540	28 398
Water		3 073	3 073	3 073	3 073	3 073	3 073	3 073	3 073	3 073	3 073	3 073	(22 443)	11 360	12 155	13 006
Waste water management		637	637	637	637	637	637	637	637	637	637	637	638	7 645	7 991	8 551
Waste management		566	566	566	566	566	566	566	566	566	566	566	567	6 793	7 268	7 777
<i>Other</i>													-	-	-	-
<b>Total Revenue - Standard</b>		10 697	10 697	10 697	10 697	10 697	10 697	10 697	10 697	10 697	10 697	10 697	(22 694)	94 973	103 952	111 878
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>		4 242	4 242	4 242	4 242	4 242	4 242	4 242	4 242	4 242	4 242	4 242	(4 778)	41 884	44 018	46 852
Executive and council		544	544	544	544	544	544	544	544	544	544	544	65	6 049	6 351	6 777
Budget and treasury office		2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509	2 509	(5 165)	22 434	23 591	25 062
Corporate services		1 189	1 189	1 189	1 189	1 189	1 189	1 189	1 189	1 189	1 189	1 189	321	13 400	14 075	15 014
<i>Community and public safety</i>		417	417	417	417	417	417	417	417	417	417	417	(143)	4 444	4 735	5 750
Community and social services		133	133	133	133	133	133	133	133	133	133	133	201	1 664	1 810	1 965
Sport and recreation		211	211	211	211	211	211	211	211	211	211	211	(238)	2 083	2 187	2 993
Public safety		46	46	46	46	46	46	46	46	46	46	46	(134)	372	390	418
Housing														-	-	-
Health		27	27	27	27	27	27	27	27	27	27	27	29	326	348	374
<i>Economic and environmental services</i>		1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	(1 284)	10 079	10 583	11 183
Planning and development														-	-	-
Road transport		1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	1 033	(1 284)	10 079	10 583	11 183
Environmental protection														-	-	-
<i>Trading services</i>		7 024	7 024	7 024	7 024	7 024	7 024	7 024	7 024	7 024	7 024	7 024	(22 427)	54 837	57 553	64 969
Electricity		2 637	2 637	2 637	2 637	2 637	2 637	2 637	2 637	2 637	2 637	2 637	851	29 858	31 325	36 815
Water		2 636	2 636	2 636	2 636	2 636	2 636	2 636	2 636	2 636	2 636	2 636	(24 144)	4 852	5 094	5 517
Waste water management		719	719	719	719	719	719	719	719	719	719	719	72	7 981	8 380	8 990
Waste management		1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	1 032	795	12 147	12 754	13 647
<i>Other</i>													-	-	-	-
<b>Total Expenditure - Standard</b>		12 716	12 716	12 716	12 716	12 716	12 716	12 716	12 716	12 716	12 716	12 716	(28 633)	111 243	116 888	128 754
<b>Surplus/(Deficit) before assoc.</b>		(2 019)	(2 019)	(2 019)	(2 019)	(2 019)	(2 019)	(2 019)	(2 019)	(2 019)	(2 019)	(2 019)	5 938	(16 271)	(12 936)	(16 876)
Share of surplus/ (deficit) of associate													-	-	-	-
<b>Surplus/(Deficit)</b>	1	(2 019)	(2 019)	(2 019)	(2 019)	(2 019)	(2 019)	(2 019)	(2 019)	(2 019)	(2 019)	(2 019)	5 938	(16 271)	(12 936)	(16 876)

**Table 45 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

NC078 Siyancuma - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - MUNICIPAL MANAGER													-	-	-	-
Vote 2 - COUNCIL				82									(82)	-	-	-
Vote 3 - CORPORATE SERVICES			50			50		50	50		50		(250)	-	-	-
Vote 4 - FINANCE		50		20	30				30				(130)	-	-	-
Vote 5 - INTERNS													-	-	-	-
Vote 6 - PROPERTIES													-	-	-	-
Vote 7 - COMMUNITY SERVICES													-	-	-	-
Vote 8 - TRAFFIC													-	-	-	-
Vote 9 - HOLIDAY RESORT													-	-	-	-
Vote 10 - WASTE WATER MANAGEMENT													-	-	-	-
Vote 11 - DISASTER MANAGEMENT													-	-	-	-
Vote 12 - WASTE MANAGEMENT													-	-	-	-
Vote 13 - PUBLIC WORKS ROADS													-	-	-	-
Vote 14 - ELECTRICITY													-	-	-	-
Vote 15 - WATER													-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	50	50	102	30	50	-	50	80	-	50	-	(462)	-	-	-
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - MUNICIPAL MANAGER													-	-	-	-
Vote 2 - COUNCIL													82	82	-	-
Vote 3 - CORPORATE SERVICES													130	130	137	130
Vote 4 - FINANCE													130	130	137	130
Vote 5 - INTERNS													-	-	-	-
Vote 6 - PROPERTIES													-	-	-	-
Vote 7 - COMMUNITY SERVICES													624	624	-	-
Vote 8 - TRAFFIC													250	250	-	-
Vote 9 - HOLIDAY RESORT													-	-	-	-
Vote 10 - WASTE WATER MANAGEMENT													-	-	-	-
Vote 11 - DISASTER MANAGEMENT													-	-	-	-
Vote 12 - WASTE MANAGEMENT													-	-	-	-
Vote 13 - PUBLIC WORKS ROADS													-	-	-	-
Vote 14 - ELECTRICITY													600	600	1 000	2 000
Vote 15 - WATER													25 513	25 513	21 639	22 890
<b>Capital single-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	27 329	27 329	22 912	25 150
<b>Total Capital Expenditure</b>	2	50	50	102	30	50	-	50	80	-	50	-	26 867	27 329	22 912	25 150

**Table 46 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

NC078 Siyancuma - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Capital Expenditure - Standard</b>	1															
<i>Governance and administration</i>		50	-	102	30	-	-	-	30	-	-	-	130	342	273	260
Executive and council				82									-	82	-	-
Budget and treasury office		50		20	30				30				-	130	137	130
Corporate services													130	130	137	130
<i>Community and public safety</i>		30	30	250	30	25	200	19	20	20	-	-	-	624	-	-
Community and social services		30	30	250	30	25	200	19	20	20			-	624	-	-
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development													-	-	-	-
Road transport													-	-	-	-
Environmental protection													-	-	-	-
<i>Trading services</i>		2 326	2 326	2 326	2 126	2 126	2 126	2 126	2 126	2 126	2 126	2 126	2 127	26 113	22 639	24 890
Electricity		200	200	200									-	600	1 000	2 000
Water		2 126	2 126	2 126	2 126	2 126	2 126	2 126	2 126	2 126	2 126	2 126	2 127	25 513	21 639	22 890
Waste water management													-	-	-	-
Waste management													-	-	-	-
<i>Other</i>			50			50		50	50		50		-	250	-	-
<b>Total Capital Expenditure - Standard</b>	2	2 406	2 406	2 678	2 186	2 201	2 326	2 195	2 226	2 146	2 176	2 126	2 257	27 329	22 912	25 150



**Table 47 MBRR SA30 - Budgeted monthly cash flow**

NC078 Siyancuma - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Cash Receipts By Source</b>													1		
Property rates	630	630	630	630	630	630	630	630	630	630	630	630	7 556	8 231	8 807
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	1 946	1 946	1 946	1 946	1 946	1 946	1 946	1 946	1 946	1 946	1 946	1 946	23 354	24 989	26 738
Service charges - water revenue	859	859	859	859	859	859	859	859	859	859	859	859	10 310	11 032	11 804
Service charges - sanitation revenue	393	393	393	393	393	393	393	393	393	393	393	393	4 716	5 046	5 399
Service charges - refuse revenue	383	383	383	383	383	383	383	383	383	383	383	383	4 602	4 924	5 269
Service charges - other	17	17	17	17	17	17	17	17	17	17	17	17	206	221	236
Rental of facilities and equipment	28	28	28	28	28	28	28	28	28	28	28	28	339	362	388
Interest earned - external investments	22	22	22	22	22	22	22	22	22	22	22	22	260	260	260
Interest earned - outstanding debtors	31	31	31	31	31	31	31	31	31	31	31	31	370	400	430
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	383	383	383	383	383	383	383	383	383	383	383	383	4 600	4 969	5 366
Licences and permits	20	20	20	20	20	20	20	20	20	20	20	20	241	258	276
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	3 165	3 165	3 165	3 165	3 165	3 165	3 165	3 165	3 165	3 165	3 165	3 165	37 981	42 981	46 605
Other revenue	36	36	36	36	36	36	36	36	36	36	36	36	438	281	301
<b>Cash Receipts by Source</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>94 973</b>	<b>103 953</b>	<b>111 879</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>7 914</b>	<b>94 973</b>	<b>103 953</b>	<b>111 879</b>
<b>Cash Payments by Type</b>															
Employee related costs	2 921	2 921	2 921	2 921	2 921	2 921	2 921	2 921	2 921	2 921	2 921	2 921	35 056	36 808	39 843
Remuneration of councillors	218	218	218	218	218	218	218	218	218	218	218	218	2 615	2 746	2 938
Finance charges	38	38	38	38	38	38	38	38	38	38	38	38	450	473	563
Bulk purchases - Electricity	2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 019	24 225	25 436	30 523
Bulk purchases - Water & Sewer	54	54	54	54	54	54	54	54	54	54	54	54	650	683	730
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	259	259	259	259	259	259	259	259	259	259	259	259	3 107	3 262	3 490
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	608	608	608	608	608	608	608	608	608	608	608	608	7 297	7 662	8 198
Other expenditure	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	1 692	20 308	21 329	23 263
<b>Cash Payments by Type</b>	<b>7 809</b>	<b>7 809</b>	<b>7 809</b>	<b>7 809</b>	<b>7 809</b>	<b>7 809</b>	<b>7 809</b>	<b>7 809</b>	<b>7 809</b>	<b>7 809</b>	<b>7 809</b>	<b>7 809</b>	<b>93 707</b>	<b>98 399</b>	<b>109 550</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	49	49	49	49	49	49	49	49	49	49	49	49	592	273	260
Repayment of borrowing	53	53	53	53	53	53	53	53	53	53	53	53	640	672	532
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>7 912</b>	<b>7 912</b>	<b>7 912</b>	<b>7 912</b>	<b>7 912</b>	<b>7 912</b>	<b>7 912</b>	<b>7 912</b>	<b>7 912</b>	<b>7 912</b>	<b>7 912</b>	<b>7 912</b>	<b>94 940</b>	<b>99 344</b>	<b>110 342</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>33</b>	<b>4 609</b>	<b>1 537</b>
Cash/cash equivalents at the month/year begin:	-	3	6	8	11	14	17	19	22	25	28	30	-	33	4 642
Cash/cash equivalents at the month/year end:	3	6	8	11	14	17	19	22	25	28	30	33	33	4 642	6 179

### **1.17 Contracts having future budgetary implications**

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

### **1.18 Capital expenditure details**

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, repair and maintenance of assets, and finally on depreciation.

**Table 48 MBRR SA 34a - Capital expenditure on new assets by asset class**

NC078 Siyancuma - Supporting Table SA34a Capital expenditure on new assets by asset class

2008/9 Statement - Supporting Table SA24 Capital expenditure on new assets by asset class											
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure	2	-	-	16 033	19 874	19 874	-	26 113	22 639	24 890	
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	
Roads, Pavements & Bridges											
Storm water											
Infrastructure - Electricity		-	-	1 733	2 964	2 964	-	600	1 000	2 000	
Generation											
Transmission & Reticulation				1 733	2 964	2 964		600	1 000	2 000	
Street Lighting											
Infrastructure - Water		-	-	14 300	16 910	16 910	-	25 513	21 639	22 890	
Dams & Reservoirs											
Water purification											
Reticulation				14 300	16 910	16 910		25 513	21 639	22 890	
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	
Reticulation											
Sewerage purification											
Infrastructure - Other		-	-	-	-	-	-	-	-	-	
Waste Management											
Transportation											
Gas											
Other											
Community		3	-	-	-	-	-	-	624	-	-
Parks & gardens		7									
Sportsfields & stadia											
Swimming pools											
Community halls											
Libraries								624	-	-	
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries											
Cemeteries											
Social rental housing											
Other	8										
Heritage assets	9	-	-	-	-	-	-	-	-	-	
Buildings											
Other											
Investment properties	10	-	-	-	-	-	-	-	-	-	
Housing development											
Other											
Other assets	10	-	-	-	1 820	3 725	3 725	592	274	260	
General vehicles					1 410	3 315	3 315	332	-	-	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment					200	200	200	130	137	130	
Computers - hardware/equipment					210	210	210	130	137	130	
Furniture and other office equipment											
Abattoirs											
Markets											
Civic Land and Buildings											
Other Buildings											
Other Land											
Surplus Assets - (Investment or Inventory)											
Other											
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets		-	-	-	-	-	-	-	-	-	
List sub-class											
Intangibles		-	-	-	-	-	-	-	-	-	
Computers - software & programming											
Other (list sub-class)											
Total Capital Expenditure on new assets	1	-	-	16 033	21 694	23 599	3 725	27 329	22 913	25 150	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Refuse											
Fire											
Conservancy											
March 2011											

**Table 58 MBBR SA 34b – Capital expenditure on the renewal of existing assets by asset class**

NC078 Siyancuma - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges										
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas										
Other	3									
<b>Community</b>		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		-	-	-	-	-	-	-	-	-
General vehicles										
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Capital Expenditure on renewal of existing</b>	<b>1</b>	-	-	-	-	-	-	-	-	-
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
March 2011										

**Table 49 MBRR SA34c - Repairs and maintenance expenditure by asset class**

NC078 Siyancuma - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	2 776	5 183	3 632	3 632	5 265	5 529	5 916
Infrastructure - Road transport		-	-	-	-	1 383	1 383	1 910	2 006	2 146
Roads, Pavements & Bridges						1 383	1 383	1 910	2 006	2 146
Storm water										
Infrastructure - Electricity		-	-	1 072	2 815	674	674	1 188	1 247	1 335
Generation										
Transmission & Reticulation				1 072	2 815	674	674	1 188	1 247	1 335
Street Lighting										
Infrastructure - Water		-	-	1 167	1 448	892	892	1 276	1 339	1 433
Dams & Reservoirs										
Water purification				1 167	1 448	892	892	1 276	1 339	1 433
Reticulation										
Infrastructure - Sanitation		-	-	537	920	500	500	650	684	732
Reticulation										
Sewerage purification				537	920	500	500	650	684	732
Infrastructure - Other		-	-	-	-	183	183	241	253	271
Waste Management						183	183	241	253	271
Transportation										
Gas										
Other										
Community		-	-	1 090	1 936	568	568	821	862	922
Parks & gardens				817	1 050	172	172	235	247	264
Sportsfields & stadia										
Swimming pools										
Community halls				3	55	80	80			
Libraries				255	435	-	-	96	100	107
Recreational facilities					40	143	143	210	221	236
Fire, safety & emergency					123	73	73	180	189	202
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries				15	110	40	40	100	105	112
Social rental housing										
Other					123	60	60			
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	349	747	870	870	1 289	1 353	1 448
General v ehicles								358	376	402
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment				100	200	130	130			
Furniture and other office equipment					205	280	280	250	263	281
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings				200	282	400	400	221	232	248
Other Land				-	-			60	63	67
Surplus Assets - (Investment or Inventory)										
Other				49	60	60	60	400	420	449
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
March 2011	1	-	-	4 215	7 866	5 070	5 070	7 374	7 744	8 286



**MBBR SA 34d-Depreciation by asset class**

NC078 Siyancuma - Supporting Table SA34d Depreciation by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>	<b>1</b>									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	6 204	6 204	6 204	7 171	7 673	8 210
Infrastructure - Road transport		-	-	-	3 100	3 100	3 100	3 635	3 889	4 162
Roads, Pavements & Bridges					3 100	3 100	3 100	3 635	3 889	4 162
Storm water										
Infrastructure - Electricity		-	-	-	700	700	700	794	850	910
Generation										
Transmission & Reticulation					700	700	700	794	850	910
Street Lighting										
Infrastructure - Water		-	-	-	370	370	370	431	461	493
Dams & Reservoirs										
Water purification					370	370	370	431	461	493
Reticulation										
Infrastructure - Sanitation		-	-	-	2 004	2 004	2 004	2 278	2 437	2 608
Reticulation										
Sewerage purification					2 004	2 004	2 004	2 278	2 437	2 608
Infrastructure - Other		-	-	-	30	30	30	33	35	38
Waste Management					30	30	30	33	35	38
Transportation										
Gas										
Other										
<b>Community</b>		-	-	-	1 745	1 745	1 745	1 149	1 229	1 315
Parks & gardens					730	730	730	198	212	227
Sportsfields & stadia										
Swimming pools					516	516	516	76	81	87
Community halls					120	120	120	132	141	151
Libraries								605	647	693
Recreational facilities										
Fire, safety & emergency										
Security and policing					50	50	50			
Buses										
Clinics					7	7	7	8	8	9
Museums & Art Galleries										
Cemeteries					9	9	9	9	10	11
Social rental housing										
Other					313	313	313	121	129	138
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		-	-	-	-	-	-	1 426	1 526	1 632
General vehicles								477	510	546
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment								131	140	150
Abattoirs										
Markets										
Civic Land and Buildings								568	608	650
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other								250	268	286
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Depreciation</b>	<b>1</b>	-	-	-	7 949	7 949	7 949	9 745	10 427	11 157
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
March 2011										

**Table 50 MBRR SA35 - Future financial implications of the capital budget**

NC078 Siyancuma - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Present value
<b>Capital expenditure</b>	1							
Vote 1 - MUNICIPAL MANAGER		-	-	-				
Vote 2 - COUNCIL		82	-	-				
Vote 3 - CORPORATE SERVICES		130	137	130				
Vote 4 - FINANCE		130	137	130				
Vote 5 - INTERNS		-	-	-				
Vote 6 - PROPERTIES		-	-	-				
Vote 7 - COMMUNITY SERVICES		624	-	-				
Vote 8 - TRAFFIC		250	-	-				
Vote 9 - HOLIDAY RESORT		-	-	-				
Vote 10 - WASTE WATER MANAGEMENT		-	-	-				
Vote 11 - DISASTER MANAGEMENT		-	-	-				
Vote 12 - WASTE MANAGEMENT		-	-	-				
Vote 13 - PUBLIC WORKS ROADS		-	-	-				
Vote 14 - ELECTRICITY		600	1 000	2 000				
Vote 15 - WATER		25 513	21 639	22 890				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		27 329	22 912	25 150	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - MUNICIPAL MANAGER								
Vote 2 - COUNCIL								
Vote 3 - CORPORATE SERVICES								
Vote 4 - FINANCE								
Vote 5 - INTERNS								
Vote 6 - PROPERTIES								
Vote 7 - COMMUNITY SERVICES								
Vote 8 - TRAFFIC								
Vote 9 - HOLIDAY RESORT								
Vote 10 - WASTE WATER MANAGEMENT								
Vote 11 - DISASTER MANAGEMENT								
Vote 12 - WASTE MANAGEMENT								
Vote 13 - PUBLIC WORKS ROADS								
Vote 14 - ELECTRICITY								
Vote 15 - WATER								
<i>List entity summary if applicable</i>								
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		27 329	22 912	25 150	-	-	-	-

**Table 51 MBRR SA36 - Detailed capital budget per municipal vote**

NC078 Siyancuma - Supporting Table SA36 Detailed capital budget

Parent municipality: Supporting Infrastructure Capital Budget												
Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		
R thousand	4			2	6	3	3	5		Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Bu
Parent municipality: List all capital projects grouped by Municipal Vote												
Council		Operational	n/a		Yes	Other Assets	Transportation		82			
Corporate and Human Resources		Operational	n/a		Yes	Other Assets	Furniture and other office equipment		130			
Finance		Operational	n/a		Yes	Other Assets	Furniture and other office equipment		130			
water		Infrastructure	n/a		Yes	Infrastructure - Water	Dams & Reservoirs		25 513			
electricity		Infrastructure	n/a		Yes	Infrastructure - Electricity	Transmission & Reticulation		600			
Libraries		Infrastructure	n/a		Yes	Infrastructure - Other	Libraries		624			
Traffic		Operational	n/a		Yes	Other Assets	Furniture and other office equipment		250			
Parent Capital expenditure	1											

**Table 52 MBRR SA37 - Projects delayed from previous financial year**

NC078 Siyancuma - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Original Budget
R thousand							Year	
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>			
water		Schmidtsdrift Reservoir		infrastructure	Reticulation Transmission & Reticulation Sewerage purification Libraries water purification		2012	16
Entities: <i>List all capital projects grouped by Municipal Entity</i>								
Entity Name Project name								

## 1.19 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved.
2. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. They have enrolled on a course to comply with the minimum standards.
3. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee  
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan  
The detailed SDBIP document, directly aligned and informed by the 2012/13 MTREF, has been tabled and is ready for approval by the Mayor.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training  
MFMA training has commenced.

8. Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

## **1.20 Other supporting documents**

### **Table 53 MBRR Table SA1 - Supporting detail to budgeted financial performance**

NC078 Siyancoma - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue</b>											
<b>REVENUE ITEMS:</b>											
<b>Property rates</b>	6										
Total Property Rates		4 119	4 847	5 734	12 127	12 249			14 853	15 892	17 005
Less Revenue Foregone					5 869	5 869			7 297	7 662	8 196
Net Property Rates		4 119	4 847	5 734	6 258	6 380			7 556	8 231	8 807
<b>Service charges - electricity revenue</b>	6										
Total Service charges - electricity revenue		15 089	19 239	17 357	17 419	18 728			23 354	24 989	26 738
Less Revenue Foregone											
Net Service charges - electricity revenue		15 089	19 239	17 357	17 419	18 728			23 354	24 989	26 738
<b>Service charges - water revenue</b>	6										
Total Service charges - water revenue		6 088	6 401	7 027	9 962	9 988			10 310	11 032	11 804
Less Revenue Foregone											
Net Service charges - water revenue		6 088	6 401	7 027	9 962	9 988			10 310	11 032	11 804
<b>Service charges - sanitation revenue</b>	6										
Total Service charges - sanitation revenue		3 308	3 866	3 912	4 279	5 240			4 716	5 046	5 399
Less Revenue Foregone											
Net Service charges - sanitation revenue		3 308	3 866	3 912	4 279	5 240			4 716	5 046	5 399
<b>Service charges - refuse revenue</b>	6										
Total refuse removal revenue		2 711	3 226	3 351	4 145	4 281			4 402	4 924	5 269
Total landfill revenue											
Less Revenue Foregone											
Net Service charges - refuse revenue		2 711	3 226	3 351	4 145	4 281			4 402	4 924	5 269
<b>Other Revenue by source</b>											
Other revenue		1 653		1 846	65 899	66 777			438	281	301
<b>Total 'Other' Revenue</b>	3	1 653		1 846	65 899	66 777			438	281	301
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>	2										
Basic Salaries and Wages		19 470	12 052	13 614	17 578	20 934			22 808	23 948	25 725
Pension and UIF Contributions			3 353	3 313	4 536				4 641	4 873	5 152
Medical Aid Contributions									1 902	1 987	2 176
Overtime			944	985	815	1 159			1 109	1 164	1 282
Performance Bonus			914		1 072	971					
Motor Vehicle Allowance			2 134	2 053	2 026	2 411			2 057	2 140	2 367
Cellphone Allowance									83	87	93
Housing Allowances			357	415	397	364			401	421	451
Other benefits and allowances				383					1 831	1 952	2 166
Payments in lieu of leave				(351)	1 138	224			224	236	252
Long service awards				146							
Post retirement benefit obligations			399	255							
<b>sub-total</b>	4	19 470	20 153	20 813	27 562	26 263			35 056	36 808	39 847
<b>Less: Employees costs capitalised to PPE</b>	5										
<b>Total Employee related costs</b>	1	19 470	20 153	20 813	27 562	26 263			35 056	36 808	39 847
<b>Contributions recognised - capital</b>											
Land contributions by contract					24 622	26 527					
<b>Total Contributions recognised - capital</b>					24 622	26 527					
<b>Depreciation &amp; asset impairment</b>											
Depreciation of Property, Plant & Equipment			5 508	10 428	6 664	8 646			9 745	10 427	11 157
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE											
<b>Total Depreciation &amp; asset impairment</b>	10		5 508	10 428	6 664	8 646			9 745	10 427	11 157
<b>Bulk purchases</b>											
Electricity Bulk Purchases		9 181	10 389	14 345	21 418	21 418			24 225	25 436	30 523
Water Bulk Purchases		375	205	307	452	452			650	683	730
<b>Total bulk purchases</b>	1	9 556	10 594	14 652	21 870	21 870			24 875	26 119	31 253
<b>Transfers and grants</b>											
Cash transfers and grants				2 192					7 297	7 662	8 196
Non-cash transfers and grants											
<b>Total transfers and grants</b>	1			2 192					7 297	7 662	8 196
<b>Contracted services</b>											
Insurance			555		552	552			763	802	858
Agist			180		100	100			1 550	1 575	1 685
valuation					500	500			221	232	249
man/hour									622	653	699
<b>sub-total</b>	1		735		1 152	1 152			3 107	3 262	3 490
<b>Allocations to organs of state:</b>											
Electricity											
Water											
Sanitation											
Other											
<b>Total contracted services</b>			735		1 152	1 152			3 107	3 262	3 490
<b>Other Expenditure By Type</b>											
Collection costs			3 797		1 138		1 138		4 525	4 851	7 330
Contributions to 'other' provisions					1 149		1 149		1 080	1 134	1 213
Consultant fees									1 500	1 575	1 685
Audit fees			1 433		1 400	1 400			1 500	1 575	1 685
General expenses			6 821	10 784	49 141	47 197	47 197		10 994	11 549	12 611
<b>Acquired Assets</b>	3			2 377							
<b>Total 'Other' Expenditure</b>	1		12 051	13 162	52 926	48 597	50 984		20 099	21 108	22 530
<b>Repairs and Maintenance</b>	8										
Employee related costs					1 259	7 527	7 527		1 736	1 823	1 950
Other materials			1 204		3 654				3 747	3 934	4 209
<b>Contracted Services</b>	9		11 428		1 991				1 106	1 161	1 242
Contracted services				2 083	962				786	827	884
<b>sub-total</b>	9		12 832		7 866	7 527	7 527		7 374	7 764	8 265

March 2011



**Table 54 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

NC078 Siyancuma - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - MUNCIPAL MANAGER	Vote 2 - COUNCIL	Vote 3 - CORPORATE SERVICES	Vote 4 - FINANCE	Vote 5 - INTERNS	Vote 6 - PROPERTIES	Vote 7 - COMMUNITY SERVICES	Vote 8 - TRAFFIC	Vote 9 - HOLIDAY RESORT	Vote 10 - WASTE WATER MANAGEMENT	Vote 11 - DISASTER MANAGEMENT	Vote 12 - WASTE MANAGEMENT	Vote 13 - PUBLIC WORKS ROADS	Vote 14 - ELECTRICITY	Vote 15 - WATER	Total
R thousand	1																
<b>Revenue By Source</b>																	
Property rates					7 556												7 556
Property rates - penalties & collection charges																	-
Service charges - electricity revenue															23 354		23 354
Service charges - water revenue																10 310	10 310
Service charges - sanitation revenue											4 716						4 716
Service charges - refuse revenue													4 602				4 602
Service charges - other											1				27	178	206
Rental of facilities and equipment							90	129		120							339
Interest earned - external investments					260												260
Interest earned - outstanding debtors					370												370
Dividends received																	-
Fines								0	4 600								4 600
Licences and permits					241												241
Agency services																	-
Other revenue				213	15			34			176						438
Transfers recognised - operational			1 400		27 844	1 500					2 752		2 191		1 422	872	37 981
Gains on disposal of PPE																	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	1 400	213	36 286	1 500	90	163	4 600	120	7 645	-	6 793	-	24 804	11 360	94 973
<b>Expenditure By Type</b>																	
Employee related costs		2 387		5 501	8 399	709	634	2 415	741		2 638	142	3 018	4 445	2 372	1 654	35 056
Remuneration of councillors			2 615														2 615
Debt impairment					8 000												8 000
Depreciation & asset impairment		76	121	175	131	-	568	597	302	605	2 278	-	33	3 635	794	431	9 745
Finance charges			33	74	33				49		59			163	24	15	450
Bulk purchases															24 225	650	24 875
Other materials																	-
Contracted services				3 107	1 080												4 187
Transfers and grants			60								2 752		2 191		1 422	872	7 297
Other expenditure		165	592	3 099	3 292	791	242	455	570		255	230	6 905	174	1 020	1 230	19 019
Loss on disposal of PPE																	-
<b>Total Expenditure</b>		2 627	3 421	11 956	20 934	1 500	1 444	3 467	1 662	605	7 981	372	12 147	8 417	29 858	4 852	111 243
<b>Surplus/(Deficit)</b>		(2 627)	(2 021)	(11 743)	15 352	-	(1 355)	(3 305)	2 938	(485)	(336)	(372)	(5 354)	(8 417)	(5 054)	6 508	(16 271)
Transfers recognised - capital								624							600	25 513	26 737
Contributions recognised - capital																	-
Contributed assets																	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		(2 627)	(2 021)	(11 743)	15 352	-	(1 355)	(2 681)	2 938	(485)	(336)	(372)	(5 354)	(8 417)	(4 454)	32 021	10 466

**Table 55 MBRR Table SA3 – Supporting detail to Statement of Financial Position**

NC078 Siyancoma - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Supporting Table 3A3 Supporting detail to Budgeted Financial Position											
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		56	6 613						-		
Other current investments > 90 days											
Total Call investment deposits	2	56	6 613	-	-	-	-	-	-	-	-
Consumer debtors											
Consumer debtors		939	5 016	42 603	42 603	42 603	42 603		42 603	42 603	42 603
Less: Provision for debt impairment				(32 881)	(32 881)	(32 881)	(32 881)		(32 881)	(32 881)	(32 881)
Total Consumer debtors	2	939	5 016	9 722	9 722	9 722	9 722	-	9 722	9 722	9 722
Debt impairment provision											
Balance at the beginning of the year				25 496	25 496	25 496	25 496		25 496	25 496	25 496
Contributions to the provision				7 385	7 385	7 385	7 385		7 385	7 385	7 385
Bad debts written off											
Balance at end of year		-	-	32 881	32 881	32 881	32 881	-	32 881	32 881	32 881
Property, plant and equipment (PPE)											
PPE at cost/valuation (ex cl. finance leases)		114 556	125 936	316 012	316 012	316 012	316 012		343 341	338 924	341 162
Leases recognised as PPE	3	23	28	78	78	78	78		78	78	78
Less: Accumulated depreciation				37 945	37 945	37 945	37 945		47 690	58 118	69 275
Total Property, plant and equipment (PPE)	2	114 579	125 964	278 145	278 145	278 145	278 145	-	295 729	280 884	271 965
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		132	150	637	637	637	637		637	637	637
Total Current liabilities - Borrowing		132	150	637	637	637	637	-	637	637	637
Trade and other payables											
Trade and other creditors		2 085	3 280	3 625	3 625	3 625	3 625		3 625	3 625	3 625
Unspent conditional transfers		3 797	6 880	9 950	9 950	9 950	9 950		9 950	9 950	9 950
VAT		2 475	3 042	2 737	2 737	2 737	2 737		2 737	2 737	2 737
Total Trade and other payables	2	8 357	13 202	16 313	16 313	16 313	16 313	-	16 313	16 313	16 313
Non current liabilities - Borrowing											
Borrowing	4	672	522	2 358	2 358	2 358	2 358		2 358	2 358	2 358
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		672	522	2 358	2 358	2 358	2 358	-	2 358	2 358	2 358
Provisions - non-current											
Retirement benefits		6 035	6 301	9 222	9 222	9 222	9 222		9 222	9 222	9 222
List other major provision items											
Refuse landfill site rehabilitation				1 631	1 631	1 631	1 631		1 631	1 631	1 631
Other											
Total Provisions - non-current		6 035	6 301	10 853	10 853	10 853	10 853	-	10 853	10 853	10 853
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance			121 311	272 375	272 375	283 620	283 620		272 375	283 620	283 620
GRAP adjustments											
Restated balance		-	121 311	272 375	272 375	283 620	283 620	-	272 375	283 620	283 620
Surplus/(Deficit)		10 716	7 697	13 328	49 433	22 294	(25 999)	-	10 466	9 586	7 665
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments		88 180									
Accumulated Surplus/(Deficit)	1	98 896	129 008	285 703	321 808	305 914	257 621	-	282 842	293 206	291 285
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	98 896	129 008	285 703	321 808	305 914	257 621	-	282 842	293 206	291 285
Total capital expenditure includes expenditure on nationally significant priorities:											
Provision of basic services											

**Table 56 MBRR Table SA9 – Social, economic and demographic statistics and assumptions**

NC078 Siyancuma - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population				36	36							
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment												
<b>Monthly household income (no. of households)</b>	1, 12											
No income												
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13											
Insert description	2											
<b>Household/demographics (000)</b>												
Number of people in municipal area				35 810	35 970							
Number of poor people in municipal area												
Number of households in municipal area				9 045	8 851							
Number of poor households in municipal area												
Definition of poor household (R per month)												
<b>Housing statistics</b>	3											
Formal				6 567	7 293							
Informal				1 420	1 398							
Total number of households			-	7 987	8 691	-	-	-	-	-	-	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-

**Table 57 MBRR SA32 – List of external mechanisms**

NC078 Siyancuma - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand

**Municipal manager's quality certificate**

I, **I.J.W. STADHOUER**, municipal manager of Siyancuma Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

**Print Name: I.W.J. STADHOUER**

**Municipal manager of Siyancuma Municipality (GT485)**

**Signature:**\_\_\_\_\_

**Date:**\_\_\_\_\_